



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 0 4 0  
FEB 0 4 2016

**REPORT RE:**

**DRAFT ORDINANCE APPROVING THE WESTCONNECT PLANNING PARTICIPATION AGREEMENT AMENDED AND RESTATED, LADWP NO. BP15-022; AND THE WESTCONNECT CONFIDENTIALITY AGREEMENT, LADWP NO. BP15-035, BOTH BY AND AMONG THE CITY OF LOS ANGELES, ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER, AND ALL MEMBERS OF THE WESTCONNECT PLANNING REGION**

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. The draft ordinance provides for the approval of (1) the WestConnect Planning Participation Agreement Amended and Restated, LADWP No. BP15-022 (PPA); and (2) the WestConnect Confidentiality Agreement, LADWP No. BP15-035 (Confidentiality Agreement), both by and among the City of Los Angeles, acting by and through the Department of Water and Power (LADWP), and all members of the WestConnect planning region. The PPA outlines the cost for membership, rights and obligations of its member, and creates a regional transmission Planning Management Committee (PMC), which is responsible for administering the new WestConnect Regional Planning Process. Pursuant to Section 9 of the PPA, the Confidentiality Agreement is required to be executed to enable LADWP access to information that is confidential in nature.

## Background

Pursuant to the Federal Energy Regulatory Commission (FERC) Order No. 1000, Public Utility (Investor-Owned) transmission owners are required to enroll in an identified region for purposes of complying with FERC's new regional planning and cost allocation process requirements, and also with FERC's new requirements governing interregional coordination. FERC also encourages Non-Public Utilities (Municipally-Owned) to participate in the planning processes. LADWP is seeking membership with WestConnect pursuant to the PPA to comply with FERC Order No. 1000.

WestConnect is a subregional transmission planning organization that is committed to promoting regional transmission planning activities in the general southwestern United States. Membership in the WestConnect is voluntary, and WestConnect members may include transmission owners and transmission operators who are registered on the Western Electricity Coordinating Council and/or North American Electric Reliability Council registry. Presently, members to the PMC include Arizona Public Service Company, Basin Electric Power Cooperative, Black Hills Power Corporation, El Paso Electric Company, Imperial Irrigation District, NV Energy, Public Service Company of New Mexico, Salt River Project Agricultural Improvement and Power District, Tucson Electric Power Company, Tri-State Generation and Transmission, Southwest Transmission Cooperative, Western Area Power Administration and Excel Energy.

Historically, WestConnect has participated in both transmission planning activities and other non-transmission activities. Initially, transmission planning activities were pursued in coordination with the transmission planning activities of various subregional planning groups, such as the Colorado Coordinating Planning Group, Sierra Subregional Planning Group and Southwest Area Transmission Planning Group. Later, with the issuance by FERC of Order No. 890, Public Utility transmission owners, including those that had participated in WestConnect's early transmission planning activities, achieved compliance with the transmission planning requirements of Order No. 890 by entering into the WestConnect Project Agreement for Subregional Transmission Planning, as amended (STP Agreement). Pursuant to Resolution No. 013-048 dated August 22, 2012, LADWP executed the STP Agreement and became a member of the PMC.

The members desire to suspend the STP Agreement, to effectuate a seamless transition from the STP Agreement processes into the new regional planning process in accordance with FERC Order No. 1000, and to formalize the members' relationships and establish obligations among them. The STP Agreement will be suspended by the participating parties to the STP Agreement through an amendment, supplement or other appropriate instrument under the STP Agreement. The PPA creates a FERC Order No. 1000 regional transmission PMC, which is responsible for administering the new WestConnect Regional Planning Process. Each Member appoints one person to represent the Member on the PMC.

Pursuant to Section 9 of the PPA, the Confidentiality Agreement is required to be executed to enable LADWP access to information that is confidential in nature. The term of the PPA and the Confidentiality Agreement are synonymous.

#### Summary of Ordinance Provisions

The enclosed draft ordinance approves the WestConnect Planning Participation Agreement Amended and Restated, LADWP No. BP15-022, and the WestConnect Confidentiality Agreement, LADWP No. BP15-035, both by and between LADWP and the WestConnect members; delegates to the Board of Water and Power Commissioners (Board) authority to amend such agreements, provided that such amendments are ministerial and administrative in nature and do not increase the costs or extend the total term of the agreements; and authorizes the Board to delegate authority to the General Manager of LADWP to act upon and approve such amendments.

In accordance with Charter Section 373, except as otherwise provided in the Charter, no Board, officer or employee shall make any type of contract, as specified by ordinance, obligating the City or any department to make or receive payments of money or other valuable consideration for a period longer than such period as provided by ordinance, unless such contract shall have been first approved by the Council. In addition, pursuant to Charter Section 101, the City Council has the power to authorize the Board to amend the agreements without further City Council approval. Furthermore, Charter Section 604(c) provides that the Board of each proprietary department may authorize its General Manager to contract on behalf of the Department where the contract does not involve payment or receipt of money or consideration reasonably valued in excess of a monetary limit provided by ordinance.

#### CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the execution of the PPA and the Confidentiality Agreement is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

#### Council Rule 38 Referral

Pursuant to Council Rule 38, the draft ordinance has been presented to the Board of Water and Power Commissioners of the Department of Water and Power.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213)367-4363. She or another member of this Office will be present to answer any questions you may have when you consider this matter.

Very truly yours,

MICHAEL N. FEUER, City Attorney



By

DAVID MICHAELSON  
Chief Assistant City Attorney

DM:SD:me  
Transmittal