



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 2 8 9  
SEP 1 4 2016

**REPORT RE:**

**DRAFT ORDINANCE FOR THE SYLMAR GROUND RETURN SYSTEM  
REPLACEMENT PROJECT REQUESTING THE LOS ANGELES CITY COUNCIL TO  
ESTABLISH ENGINEER-PROCURE-CONSTRUCT CRITERIA PURSUANT TO  
SECTIONS 371(b), 373 and 674(a)(1) OF THE LOS ANGELES CITY CHARTER**

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 authorizes the Board of Water and Power Commissioners to: (1) establish criteria for the Los Angeles Department of Water and Power (LADWP) to award an engineering-procurement-construction contract for the Sylmar Ground Return System Project (Project); and (2) negotiate clarifications and changes to the proposals pursuant to a competitive sealed proposal method, for an exclusive term not to exceed five years, to a bidder or bidders with the lowest ultimate cost, as determined by LADWP.

The draft ordinance will authorize the advertisement of a Request for Proposal with one contract to be awarded at LADWP's discretion. The contract will be for the engineering of final design, the procurement of Direct Current (DC) cable equipment and material, the acquisition of associated technical services, and the construction of two DC electrode lines, rated at a minimum of 25-kV.

### Background

The State of California's Renewable Portfolio Standard (RPS) policy requires the increased production and use of renewable energy (such as wind, solar, small hydroelectric, biomass, and geothermal energy), and sets LADWP's renewable energy production mandate at 33 percent of total retail sales of electricity by the year 2020. LADWP has adopted an RPS policy that matches California's, as a component of its Power System Integrated Resource Plan (IRP). One of the primary purposes for the Project is to continue to assist LADWP in meeting its 2020 RPS goal.

The Sylmar Ground Return System is an essential component of the Pacific Direct Current Intertie Transmission Line (PDCI), which transmits bulk power from the Pacific Northwest to Southern California. The PDCI cannot operate without a ground return system. The purpose of the ground return system is to carry current away from the PDCI during a disturbance, outage or anomaly on the PDCI.

From 1970 until now, the PDCI has had several upgrades to increase its capacity; however, the ground return system has yet to be upgraded. As a result, the cables of the ground return system are no longer optimally suited for present operation at full power. The implementation of the Project would allow the PDCI to continue transmitting wind- and hydro-generated energy to Southern California.

### Charter Compliance

This draft ordinance is transmitted for your approval pursuant to Charter Sections 371(b), 373, and 674(a)(1). Pursuant to Los Angeles Charter Section 371(b), a vote of at least two-thirds of the City Council approving the contract selection criteria is required to award a contract using a competitive sealed proposal method. Pursuant to Charter Section 373, no contract may be let for a period of longer than three years without prior approval of the City Council. Moreover, pursuant to Charter Section 674(a)(1), the Board of Water and Power Commissioners shall have the authority, subject to approval by ordinance, to contract with any private or public corporation for the construction, ownership, operation and maintenance of facilities for the generation, transformation and transmission of electric energy.

### CEQA Determination

In accordance with the California Environmental Quality Act (CEQA), LADWP, as lead agency, prepared an Environmental Impact Report (EIR) to evaluate and disclose the potential environmental impacts associated with the construction and operation of the Project. The Board of Water and Power Commissioners certified the EIR, adopted mitigation measures, and approved the Project on August 2, 2016.

Recommendation

The City Administrative Officer (CAO) analyzed and recommended approval of the Board resolution and Council consideration of the Ordinance. The Board resolution was approved by the Board of Water and Power Commissioners.

Council Rule 38 Referral

This draft ordinance has been approved by the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney Eric Rosenblatt at (213) 367-4619. 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

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Transmittal