

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 in accordance with Section 399.30(e) of the Public Utilities Code, requiring the governing boards of publicly owned electric utilities to adopt a program for enforcement on or before January 1, 2012; and

WHEREAS, the RPS Policy established 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 California Senate Bill 2 (1X); and

WHEREAS, California Senate Bill 350, Clean Energy and Pollution Reduction Act of 2015, which was signed into law by the Governor on October 7, 2015, will require revisions to the LADWP RPS Policy to increase the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources to 50 percent by December 31, 2030; and

WHEREAS, the strategies in LADWP's 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, the Board of Water and Power Commissioners (Board) approved the Southern California Public Power Authority (SCPPA) Renewable Electric Energy Resource Project Development Agreement (Phase I Renewable Development Agreement), LADWP Agreement No. 96125-76 under Resolution No. 006-157, which authorized LADWP to participate with other members of SCPPA for the purpose of investigating and performing due diligence on potential new eligible renewable energy resource options; and

WHEREAS, the Board approved the SCPPA Phase II Renewable Development Agreement, LADWP No. 12-020 under Resolution No. 013-049, which authorized LADWP to participate with other members of SCPPA for the purpose of planning, exploring, investigating, developing new renewable resources, and allocating costs for these purposes up to \$10 million in aggregate through the year 2020; and

WHEREAS, SCPPA, pursuant to the needs of its members, under Phase II Renewable Development Agreement, issued a Request for Proposal (RFP), a competitive process, for the purchase and/or acquisition of eligible renewable energy resources; and

WHEREAS, SCPPA received 117 responses to its 2014 RFP, which included the Ormesa Geothermal Complex Energy Project (Ormesa Project), proposing the sale of 35 megawatts (MW) of renewable energy and associated environmental attributes from an existing geothermal power generating complex located in Imperial County, California; and

WHEREAS, Ormesa Project, which is owned by Ormesa LLC, a fully owned affiliate of Ormat Nevada, Inc., was selected to provide renewable energy from geothermal power generating facilities to SCPPA for the benefit of LADWP and the Imperial Irrigation District (Participants); and

WHEREAS, SCPPA and Ormesa LLC plan to enter into a Power Purchase Agreement for all of the electric energy, environmental attributes, and generating capacity rights from the Ormesa Project for a 25-year term; and

WHEREAS, the Ormesa Project Power Sales Agreement (PSA) No. BP 15-030 sets forth mutual covenants and agreements between LADWP and SCPPA for LADWP's acquisition during the contract term, an average of 30 MW of the metered output, associated environmental attributes, and generating capacity rights associated with the Ormesa Project with a total expenditure of \$482 million; and

WHEREAS, the Ormesa Project Agency Agreement (AA) No. BP 15-031 provides for the designation of LADWP as the project manager to administer and manage the Ormesa Project on behalf of and for the benefit of the Participants, and sets forth mutual covenants and agreements between SCPPA and LADWP in order to enable SCPPA to carry out activities necessary for planning, development, acquisition, maintenance, improvement, administration, and operation of the Ormesa Project on behalf of the Participants.

NOW, THEREFORE, BE IT RESOLVED that PSA No. BP 15-030 and AA No. BP 15-031 by and between LADWP and SCPPA, now 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.

BE IT FURTHER RESOLVED that the Board requests that pursuant to Los Angeles City Charter Section 674, the Los Angeles City Council (City Council) approve, by ordinance, PSA No. BP 15-030 and AA No. BP 15-031.

BE IT FURTHER RESOLVED that the electric energy and environmental attributes acquired from PSA No. BP 15-030 shall be credited towards LADWP's RPS Policy compliance targets.

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 PSA No. BP 15-030 and AA No. BP 15-031 for and on behalf of LADWP, upon approval by the City Council by ordinance.

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 PSA No. BP 15-030 and AA No. BP 15-031.



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

JUN 21 2016



Secretary

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

APR 11 2016

BY

  
WILLIAM H. KYSELLA, JR.  
DEPUTY CITY ATTORNEY