

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 Senate Bill 2 (1X); and

WHEREAS, 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 100 responses to its 2016 RFP, which included the Ormat Northern Nevada Geothermal Portfolio Project (ONGP Project), proposing the sale of 150 megawatts (MW) of renewable energy and associated environmental attributes from existing and new geothermal plants located in Northern Nevada; and

WHEREAS, ONGP Project, which is owned by ONGP, LLC, a fully owned affiliate of Ormat Nevada, Inc., was selected to provide renewable energy from geothermal power generating facilities to SCPA for the benefit of LADWP; and

WHEREAS, SCPA and ONGP LLC plan to enter into a Power Purchase Agreement for all of the electric energy, environmental attributes, and generating capacity rights from ONGP Project for an energy delivery term that is expected to start on December 31, 2017 and will end on December 31, 2043; and

WHEREAS, the ONGP Project Power Sales Agreement (PSA) No. BP 16-023 sets forth mutual covenants and agreements between LADWP and SCPA for LADWP's acquisition during the contract term, an average of 150 MW of the metered output at the completion of the three development phases, associated environmental attributes, and generating capacity rights associated with the ONGP Project with a total expenditure of approximately \$94 million annually or \$2.4 billion over the term of the PSA; and

WHEREAS, the ONGP Project Agency Agreement (AA) No. BP 16-024 provides for the designation of LADWP as the project manager to administer and manage the ONGP Project for and on behalf of SCPA, and sets forth mutual covenants and agreements between SCPA and LADWP in order to enable SCPA to carry out activities necessary for administration of ONGP Project on behalf of LADWP.

NOW, THEREFORE, BE IT RESOLVED that PSA No. BP 16-023 and AA No. BP 16-024 by and between LADWP and SCPA, 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 16-023 and AA No. BP 16-024

BE IT FURTHER RESOLVED that the electric energy and environmental attributes acquired from PSA No. BP 16-023 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 16-023 and AA No. BP 16-024 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 16-023 and AA No. BP 16-024.

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

MAR 21 2017

Barbara E. Morales  
Secretary

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

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BY William H. Kysella, Jr.  
WILLIAM H. KYSELLA, JR.,  
DEPUTY CITY ATTORNEY