

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to proposed amendments to the Navajo Project Agreements and Facilities Agreement in connection with the Navajo Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the July 18, 2017 action of the Board of Water and Power Commissioners (Board), Resolution No. 018-006, in connection with the following:
  - a. Approval of Amendment Nos. 10 and 11 to the Navajo Project CoTenancy Agreement, DWP No. 10498
  - b. Approval of Amendment Nos. 6 and 7 to the Navajo Project Southern Transmission System Operating Agreement, DWP No. 10124 (STS Operating Agreement)
  - c. Approval of Amendment No. 5 to the Navajo Project Western Transmission System Operating Agreement, DWP No. 10125 (WTS Operating Agreement)
  - d. Approval of Facilities Agreement between Nevada Power Company dba NV Energy and the Los Angeles Department of Water and Power (LADWP), DWP No. BP 14-030
  - e. Approval and ratification of Amendment Nos. 1 thru 5 to the STS Operating Agreement.
2. PRESENT and ADOPT the accompanying ORDINANCE, dated July 24, 2017, to provide for the following as related to the LADWP's Navajo Project as follows:
  - a. Ratifying Amendments Nos. 1 through 5 to the Navajo Southern Transmission System Operating Agreement
  - b. Approving Amendment Nos. 6 and 7 to the Navajo Southern Transmission System Operating Agreement, DWP No. 10124
  - c. Approving Amendment Nos. 10 and 11 to the Navajo Co-Tenancy Agreement, DWP No. 10498
  - d. Approving Amendment No. 5 to the Navajo Western Transmission System Operating Agreement, DWP No. 10125
  - e. Approving Facilities Agreement, DWP No. BP14-030
  - f. Delegating to the Board of Water and Power Commissioners limited authority to amend such Agreements as detailed in the Ordinance, attached to the Council file.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Resolution No. 18-006 will impact the LADWP Power Revenue Fund. There is no impact to the City General Fund.

Community Impact Statement: None submitted.

Summary:

On August 1, 2017, your Committee considered July 19, 2017 Board, February 28, 2017 CAO, and July 24, 2017 City Attorney reports, Ordinance, and Resolution No. 018-006 relative to proposed amendments to the Navajo Project Agreements and Facilities Agreement in connection with the Navajo Project. Specifically, the proposed changes consist of:

- a. Amendment Nos. 10 and 11 to the Co-Tenancy Agreement updates the agreement to reflect physical changes made to the STS and WTS.
- b. Amendment No. 6 to the STS Operating Agreement updates the agreement to reflect physical changes made to the STS and Amendment No. 7 modifies the methodology for allocating load dispatching expenses.
- c. Amendment No. 5 to the WTS Operating Agreement updates the agreement to reflect physical changes to the WTS.
- d. The Facilities Agreement between Nevada Power Company d/b/a NV Energy (NVE) and the LADWP provides for the maintenance by NVE related to certain facilities outside of NVE's South Crystal 500 kV Switchyard and microwave service for LADWP's Crystal-Moapa Transmission Line.
- e. Approval and Ratification of Amendment Nos. 1 thru 5 to the STS Operating Agreement.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the proposed changes as detailed in the Board report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE



<u>MEMBER</u>	<u>VOYE</u>
MARTINEZ:	YES
KORETZ:	ABSENT
KREKORIAN:	YES
CEDILLO:	YES
O'FARRELL:	YES

ARL  
8/1/17

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**