

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, requires 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, on September 14, 2016, the California Governor approved Senate Bill No. 859 which requires electric utilities to collectively procure, through financial commitments of five years, their proportionate share of 125 MW, based on the ratio of the electric utility's peak demand to the total statewide peak demand, from bioenergy projects that commenced operation prior to June 1, 2013; and

WHEREAS, SB 859 requires that the publicly owned utilities (POUs) serving more than 100,000 customers procure their share of this 125 MW; and

WHEREAS, the POUs' share is 29 MW of the 125 MW requirement; and

WHEREAS, LADWP's share is 14.3 MW of the 29 MW POUs' requirement; 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, on March 13, 2016, SCPPA issued an Request for Proposal (RFP), a competitive process, to solicit biomass proposals for the purchase of biomass energy in compliance with SB 859, on behalf of four SCPPA Participants: LADWP, City of Riverside, City of Anaheim, and Imperial Irrigation District (IID); and on behalf of three POUs: Sacramento Municipal Utility District (SMUD), Modesto Irrigation District (MID), Turlock Irrigation District (TID), (Project Participants); and

WHEREAS, SCPPA received nine proposals, which included the American Renewable Power (ARP)-LOYALTON Project (Project), proposing the sale of 18 MW of renewable energy and associated environmental attributes from an existing biomass plants located in Loyalton, California; and

WHEREAS, ARP-LOYALTON Project is owned by ARP-Loyalton Cogen, LLC, (Seller), a limited liability company organized and existing under the laws of the State of California; and

WHEREAS, SCPPA, SMUD, MID, TID (Buyers) and ARP-LOYALTON LLC plan to enter into a Power Purchase Agreement for all 18 MW of electric energy, environmental attributes, and generating capacity rights from the ARP-LOYALTON Project for an energy delivery term that is expected to start on April 1, 2018 and will end on March 31, 2023; and

WHEREAS, the ARP-LOYALTON Project Power Sales Agreement (PSA) No. BP 17-036 sets forth mutual covenants and agreements between LADWP and SCPPA for LADWP to purchase 8.9 MW of renewable biomass energy and associated environmental attributes, and generating capacity rights associated with the ARP-LOYALTON Project with a total expenditure of approximately \$7 million annually and \$35 million over the five-year term of the PPA and PSA; establishes SCPPA as the Project Manager for the purpose of project control, communication, and coordination with SCPPA Participants; and addresses the Buyers Join Project Agreement (BJPA) between SCPPA, SMUD, MID, and TID, stablishing the Buyers' rights and obligations, and authorizing SCPPA as Buyers' Agent to take certain actions on behalf of the Buyers under the PPA; and

WHEREAS, the ARP-LOYALTON Project Fiscal Agency Agreement (FAA) No. BP 17-037 enables LADWP to provide financial services to SCPPA, and sets forth mutual covenants and agreements between SCPPA and LADWP to enable SCPPA to carry out activities necessary for management, planning, and administration ARP-LOYALTON Project on behalf of the Project Participants; and

WHEREAS, it has been determined that the Project is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2).

NOW, THEREFORE, BE IT RESOLVED that PSA No. BP 17-036 and FAA No. BP 17-037 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 17-036 and FAA No. BP 17-037.

BE IT FURTHER RESOLVED that the Project is exempt pursuant to CEQA Guidelines Section 15060 (c)(2).

BE IT FURTHER RESOLVED that the electric energy and environmental attributes acquired from PSA No. BP 17-036 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 17-036 and FAA No. BP 17-037 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 17-036 and FAA No. BP 17-037.

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 **FEB 13 2018**

  
Secretary

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

JAN 16 2018  
BY   
WILLIAM H. KYSELLA, JR.  
DEPUTY CITY ATTORNEY