

HOLLY L. WOLCOTT
CITY CLERK

City of Los Angeles
CALIFORNIA

OFFICE OF THE
CITY CLERK

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When making inquiries relative to
this matter, please refer to the
Council File No.: [18-0264](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 23, 2018

Council File No.: [18-0264](#)

Council Meeting Date: May 22, 2018

Agenda Item No.: 4

Agenda Description: ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to proposed Wholesale Electric Service Agreement No. BP 16-025 with Overton Power District No. 5.

Council Action: ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT AND ORDINANCE - ADOPTED

Council Vote:

YES	BLUMENFIELD	YES	HARRIS-DAWSON	YES	O'FARRELL
YES	BONIN	ABSENT	HUIZAR	YES	PRICE
YES	BUSCAINO	YES	KORETZ	YES	RODRIGUEZ
YES	CEDILLO	YES	KREKORIAN	YES	RYU
YES	ENGLANDER	YES	MARTINEZ	YES	WESSON

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Pursuant to Charter/Los Angeles Administrative Code Section(s): 250

FILE SENT TO MAYOR:

LAST DAY FOR MAYOR TO ACT:

APPROVED

 ***DISAPPROVED**

 ***VETO**

05/29/2018

Mayor

DATE SIGNED

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to proposed Wholesale Electric Service Agreement No. BP 16-025 with Overton Power District No. 5.

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

1. CONCUR with the Board of Water and Power Commissioners' (Board) action of March 27, 2018, Resolution No. 018-186 authorizing Wholesale Electric Service Agreement No. BP 16-025 with Overton Power District No. 5, along with delegating limit authority to the Board to amend said agreement.
2. PRESENT and ADOPT the accompanying ORDINANCE dated April 24, 2018 authorizing the Board to approving Wholesale Electric Service Agreement No. BP 16-025, by and between the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power (LADWP), and Overton Power District No. 5; and delegating to the Board limited authority to amend such agreements.

Fiscal Impact Statement: The City Administrative Officer reports that approval of Resolution No. 018-186 will result in revenue for the Power Revenue Fund totaling approximately \$7.175 million over the 25-year term of the Agreement. There is no fiscal impact to the City General Fund. The proposed Agreement complies with the LADWP's adopted Financial Policies..

Community Impact Statement: None submitted.

Summary:

On May 15, 2018, your Committee considered March 28, 2018 Board, December 19, 2017 CAO, and April 26, 2018 City Attorney reports, Ordinance, and Resolution No. 018-186 relative to proposed Wholesale Electric Service Agreement No. BP 16-025 with Overton Power District No. 5. According to the CAO, the proposed Agreement enables the LADWP to sell wholesale energy to Overton which will deliver the energy through an LADWP-owned transmission line and ultimately to Moapa.

The LADWP owns and operates a transmission line for delivering solar energy generated at Moapa to Los Angeles under a 25-year Power Purchase Agreement (PPA). The same transmission line will be utilized to send energy to Moapa allowing for the operation of the facility during start-up processes and when self-generated energy at the facility is unavailable. The proposed Agreement will provide the LADWP with revenue of \$40.90 per MW/hour (MWh) during a 25-year term. The LADWP expects to generate approximately \$287,000 annually and a total of \$7,175 million over the 25-year term of the Agreement. Also, approval of the Ordinance will provide a delegation of authority to the Board to approve revisions and amendments that are ministerial, administrative, or technical in nature, provided that the changes do not increase the cost or extend the term of the Agreement.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with the Board's March 27, 2018 action and approving the Ordinance as described above in Recommendation No. 2. This matter is now

submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE

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

ARL
5/15/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-