



Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

Handwritten signature of Reiko A. Kerr in purple ink.

**REIKO A. KERR**

Senior Assistant General Manager—Power System  
Engineering, Planning and Technical Services

Handwritten signature of Martin L. Adams in blue ink.

**MARTIN L. ADAMS**

Chief Operating Officer

Handwritten signature of David H. Wright in blue ink.

**DAVID H. WRIGHT**

General Manager

**DATE:** February 22, 2018

**SUBJECT:** Wholesale Electric Service Agreement BP No.16-025 Between Overton Power District #5 and the Los Angeles Department of Water and Power

**SUMMARY**

The approval of the Wholesale Electric Service Agreement (Agreement) BP No.16-025 between Overton Power District #5 (Overton), a non-profit special improvement district of the State of Nevada, and the City of Los Angeles acting by and through the Los Angeles Department of Water and Power (LADWP) is required to authorize LADWP to sell wholesale electric energy to Overton. Overton will use this power to provide retail electric service to the Moapa Southern Paiute Solar Project (Moapa). LADWP will generate revenue from the wholesale electric energy sale to Overton at a rate of \$40.90/Megawatt-hour (Mwh). It is anticipated that LADWP will earn approximately \$287,000 annually and \$7,175,000 over the term of the Agreement. The term of the Agreement is 25 years.

City Council approval, by Ordinance, is required pursuant to Charter Section 674.

**RECOMMENDATION**

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution, approved as to form and legality by the City Attorney, recommending the Los Angeles City Council's approval by Ordinance per Los Angeles Charter Section 674 of the Agreement, and delegation to the Board authority to act on and approve all future amendments to the Agreement, without further approval by the City Council, provided that such amendments do not increase the costs or extend the duration of the Agreement.

## **ALTERNATIVES CONSIDERED**

There are no alternatives applicable. Overton is the only utility that can provide retail electric service to Moapa.

## **FINANCIAL INFORMATION**

LADWP will generate revenue from the wholesale electric energy sale to Overton at a rate of \$40.90/Mwh as described in Attachment A of the Agreement. It is anticipated that LADWP will earn approximately \$287,000 annually and \$7,175,000 over the term of the Agreement.

## **BACKGROUND**

The Moapa Solar Project is a 250 Megawatt (MW) solar-generating facility located in the state of Nevada. The 250 MW output is delivered to LADWP from Moapa at Nevada Energy's Crystal Substation in Clark County, Nevada via a 5-mile transmission line owned by LADWP. The renewable energy from Moapa is applied towards LADWP's Renewable Portfolio Standard through a 25-year Power Purchase Agreement (BP No.12-017) approved by the Board in 2012.

Overton provides retail electric service in the state of Nevada and is the local retail electric service provider for Moapa. Because Overton does not have electric service facilities that connect to Moapa, Overton desires to purchase wholesale electric energy from LADWP to be able to provide retail electric service to Moapa.

This Agreement will authorize LADWP to sell wholesale energy to Overton. The term of the Agreement is 25 years.

### **City Administrative Officer (CAO) Report**

The approved CAO Report dated September 6, 2017, is attached.

## **ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this Agreement is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b) (3). General Exemptions apply in situations where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

## **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

## **ATTACHMENTS**

- Resolution
- Wholesale Electric Service Agreement BP No. 16-025
- Draft Ordinance
- CAO Report