

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to proposed power purchase agreements with PacifiCorp for the Milford Wind Corridor Phase I and II Projects (BP 16-004 and BP 16-005, respectively).

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. 018-189, authorizing Power Purchase Agreements Nos. BP 16-004 and BP-005 with PacifiCorp for the Milford Wind Corridor Phase I and II Projects, along with delegating limit authority to the Board to amend said agreements.
2. PRESENT and ADOPT the accompanying ORDINANCE dated May 1, 2018 authorizing the Board to approving Power Purchase Agreements I and II, Nos. BP 16-004 and BP 16-005, both by and between the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power (LADWP), and PacifiCorp, an Oregon Corporation; and delegating to the Board limited authority to amend such agreements.

Fiscal Impact Statement: The City Administrative Officer reports that approval of Resolution No. 018-189 will result in revenue for the Power Revenue Fund totaling approximately \$4.8 million over the term of the Agreements. 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, November 8, 2016 CAO, and May 2, 2018 City Attorney reports, Ordinance, and Resolution No. 018-189 relative to proposed proposed power purchase agreements with PacifiCorp for the Milford Wind Corridor Phase I and II Projects (BP 16-004 and BP 16-005, respectively). According to the CAO, the Agreements enable the LADWP to continue to sell wholesale energy to PacifiCorp. The energy is utilized to operate the Milford wind-generating facilities for start-up purposes and when self-generated energy at the facility is unavailable. Additionally, 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. The anticipated revenue includes \$290,000 for energy provided prior to the execution of these Agreements and approximately \$4.5 million over the remaining 15 year term. The total anticipated revenue will be \$4.8 million. City Council approval, by ordinance, of the proposed resolution is required.

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-