

**ADOPTED AS AMENDED 9/25/18 BOARD MEETING
SEE ATTACHED AMENDED MOTION**

RESOLUTION NO. 0.19.040

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, including compliance targets for LADWP to supply 33 percent of its retail sales from eligible renewable energy resources by 2020 in accordance with the California Renewable Energy Resources Act (SB 2-1X) and 50 percent by 2030 in accordance with Senate Bill 350; and

WHEREAS, increased use of photovoltaics to generate electricity will reduce greenhouse gas emissions as a byproduct of electricity generation from burning of fossil fuels; and

WHEREAS, on June 26, 2018, the Board of Water and Power Commissioners (Board) authorized LADWP to continue with accelerating the reduction of greenhouse gas emissions through additional solar programs focused toward customer equity; and

WHEREAS, owners of single family homes have had the opportunity to participate in the Solar Incentive Program and Solar Rooftops Program; and

WHEREAS, a variety of local stakeholder and advocacy groups have expressed strong interest in local renewable energy developments in areas of low solar penetration and for customers in multifamily dwelling units; and

WHEREAS, the proposed pilot Shared Solar Program (SSP) presents an opportunity to increase the reliability of existing electrical distribution systems by integrating local solar; and

WHEREAS, the SSP would be implemented using ten-year rate contracts entered into by and between LADWP and eligible residential customers in multifamily dwelling units, with terms and conditions substantially the same as the form of those terms and conditions on file with the Secretary of the Board (Contract Terms); and

WHEREAS, LADWP has developed SSP Guidelines (Guidelines) to further define the terms and conditions of program participation; and

WHEREAS, in accordance with the Contract Terms and Guidelines, the SSP will procure solar energy to enable subscribers to purchase system energy at a price that will not increase during the term of their contracts with LADWP.

NOW, THEREFORE, BE IT RESOLVED that the Guidelines, a copy of which is on file with the Secretary of the Board, are hereby approved.

BE IT FURTHER RESOLVED that the General Manager, or such person as the General Manager shall designate in writing, is hereby authorized to enter into, for and on behalf of LADWP, contracts containing substantially the same terms and conditions as the Contract Terms, commencing no sooner than January 1, 2019.

BE IT FURTHER RESOLVED that the Board requests that, pursuant to Los Angeles City Charter §373, the City Council approve LADWP's future use of ten-year rate contracts to implement the SSP in accordance with this resolution.

BE IT FURTHER RESOLVED that LADWP staff is authorized to make non-substantive technical modifications to the Guidelines as necessary to correct errors, improve clarity, and facilitate administration of the program.

BE IT FURTHER RESOLVED that the General Manager is authorized to make further modifications to the Guidelines, after reporting such modifications to the Board, that will: (1) expand subscriber eligibility to potentially include all customers receiving electric service under LADWP Schedule R-1 Residential Service, or any replacement thereof, and accordingly adjust the methodology to credit subscribers' bills to encourage conservation; (2) modify the maximum SSP subscription amount per subscriber, not to exceed five thousand dollars (\$5,000) over the term of a contract; and (3) modify the various sizes of SSP blocks of energy offered.

BE IT FURTHER RESOLVED that the contract rate for SSP subscriptions will be based on the total cost of service and methodology in the presentation entitled Shared Solar Pilot Program Details and Rate Design and dated August 29, 2018, now on file with the Secretary of the Board, as calculated by LADWP's Rates Manager in his or her sole discretion, including, without limitation, generation costs of SSP projects, in order to achieve cost neutrality, and shall be adjusted annually for new participants in subsequent years.

BE IT FURTHER RESOLVED that, prior to the start of the second year of the SSP, LADWP staff shall evaluate the use of financial hedges to help deliver a cost neutral program in the event that Tier 1 electric rates exceed forecasted levels, and make a recommendation to the Board regarding such use of financial hedges.

BE IT FURTHER RESOLVED that adoption of the Guidelines and Contract Terms for the SSP is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. CEQA Guidelines Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition.

BE IT FURTHER RESOLVED that the energy and environmental attributes acquired from the SSP projects shall be credited toward the compliance targets of LADWP's RPS Policy.

BE IT FURTHER RESOLVED that the total spending by LADWP for the SSP shall not exceed seventy-nine million dollars (\$79,000,000) over the twenty (20) year period commencing upon the effective date of the SSP.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations arising under any individual rate contract related to the SSP, under the Guidelines, and in accordance with this resolution.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **SEP 25 2018**

Barbara E. Morales
Secretary

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

SEP 27 2018

BY Brian E. Stewart
BRIAN E. STEWART
DEPUTY CITY ATTORNEY

VERBAL MOTION

I MOVE that Item No. 19 on the September 25, 2018, Commission Agenda relative to a resolution approving Shared Solar Program Pilot (SSP), **BE AMENDED**, to add the following:

1. The General Manager must report to the Board of Water and Power Commissioners (Board) before making the three types of modifications for which the General Manager is specifically delegated authority by the resolution.
2. Prior to the start of the second year of the SSP, LADWP staff shall evaluate the use of financial hedges to help deliver a cost neutral program in the event that Tier 1 electric rates exceed forecasted levels. Make a recommendation to the Board regarding such use of financial hedges.
3. That the total spending by LADWP for the SSP shall not exceed seventy-nine million dollars (\$79,000,000) over the twenty (20) year period commencing upon the effective date of the SSP.

Moved by: Cynthia McClain-Hill

Seconded by: Mel Levine

Approved by the Board of Water and Power Commissioners at its Regular Meeting on September 25, 2018: Ayes: 4; Absent: 1 – Jill Banks Barad.

By: Barbara E. Moschos

Barbara E. Moschos, Board Secretary