



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD APPROVAL LETTER

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 black ink.

MARTIN L. ADAMS

Chief Operating Officer

Handwritten signature of David H. Wright in blue ink.

DAVID H. WRIGHT

General Manager

DATE: October 29, 2018

SUBJECT: Arizona Nuclear Power Project Hassayampa Switchyard
Interconnection Agreement By and Among the Co-owners of the
Arizona Nuclear Power Project Hassayampa Switchyard and Sun
Streams, LLC (DWP No. BP 17-027)

SUMMARY

This proposed Interconnection Agreement (DWP No. BP 17-027) is for the construction, operation, and maintenance of facilities needed to interconnect a 150-megawatt (MW) solar power plant to the Arizona Nuclear Power Project (ANPP) Hassayampa Switchyard.

The Agreement is among the co-owners of the ANPP Hassayampa Switchyard, including LADWP, and Sun Streams, LLC and allows connection to Sun Streams' 150 MW solar-powered generating facility to the ANPP Hassayampa Switchyard. The term of this Agreement is coterminous with the ANPP Participation Agreement, DWP No. 10457. LADWP is a party to this Agreement as a co-owner of the ANPP Hassayampa Switchyard only, and energy from the solar-powered facility is to be delivered to the customers of Sun Streams, LLC. There is no adverse financial impact to LADWP as a result of this Agreement.

City Council approval, by Ordinance, is required pursuant to City Charter Section No. 674.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution requesting the Los Angeles City Council's approval, by ordinance, of the following:

- Execution of the Agreement; and
- Delegation of authority to the Board to act on and approve all future amendments to the Agreement.

ALTERNATIVES CONSIDERED

There are no alternatives in lieu of the ANPP High Voltage Switchyard Interconnection Agreement. The consequences of not approving this agreement will lead to Sun Stream Project (150MW Solar)'s inability to physically interconnect and thus benefit from any energy delivery via ANPP High Voltage in the future.

FINANCIAL INFORMATION

LADWP has a 3.20 percent ownership share in the ANPP High Voltage Switchyard of which the Hassayampa Switchyard is part. There should be no negative financial impacts to LADWP because all costs associated with the interconnection are expected to be borne by the Interconnector or third parties. LADWP's share of the annual expenditure for the operation, maintenance, and capital improvement of the switchyards, which is currently about \$100,000, is not expected to be impacted by the interconnection. Therefore, the Agreement should not have a negative financial impact on LADWP.

This Agreement shall terminate upon the first of the following events to occur: (i) the termination of the ANPP Participation Agreement, DWP No. 10457; (ii) written agreement of all parties to the Agreement to terminate it; (iii) termination of the Agreement pursuant to Section 22 (Default) of the Agreement; or (iv) upon no less than ninety (90) calendar days' advance written notice of termination from Interconnector to the operating agent of the ANPP Hassayampa Switchyard.

BACKGROUND

The ANPP consists of the Palo Verde Nuclear Generating Station and the ANPP High Voltage Switchyard, which is made up of both the Palo Verde Switchyard and the adjoining ANPP Hassayampa Switchyard. The ANPP is co-owned by the following: LADWP; Arizona Public Service Company, an Arizona corporation; El Paso Electric Company, a Texas corporation; Public Service Company of New Mexico, a New Mexico corporation; Southern California Edison Company, a California corporation; Southern California Public Power Authority, a California public entity; and Salt River Project Agricultural Improvement and Power District, an Arizona agricultural improvement district (SRP). SRP is the designated operating agent of ANPP.

The Agreement establishes the costs, terms, and conditions for the construction, maintenance, and operation of facilities needed for the Interconnector to physically

interconnect its 150 megawatt solar-powered generating facility to the ANPP Hassayampa Switchyard.

Due to operational impacts, a waiver to the Executive Directive 4 process was granted by the Mayor's Office on November 1, 2018.

ENVIRONMENTAL DETERMINATION

LADWP has determined that this item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15277. In accordance with this section, projects located outside of California are exempt from the requirements of CEQA when the project is subject to environmental impact review pursuant to the National Environmental Policy Act (NEPA) or state law equivalent to NEPA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Agreement
- Ordinance