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CITY ATTORNEY

REPORT NO. R 20 - 0007

JAN 07 2020

REPORT RE:

DRAFT ORDINANCE APPROVING THE ANPP HASSAYAMPA SWITCHYARD INTERCONNECTION AGREEMENT, DWP NO. BP 19-033, BY AND AMONG THE CO-OWNERS OF THE ARIZONA NUCLEAR POWER PROJECT, INCLUDING THE CITY OF LOS ANGELES, ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER, AND SUN STREAMS 2, LLC; AND DELEGATING TO THE BOARD OF WATER AND POWER COMMISSIONERS LIMITED AUTHORITY TO AMEND SAID AGREEMENT

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 19-1594

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the approval of the ANPP Hassayampa Switchyard Interconnection Agreement (Interconnection Agreement) by and among the City of Los Angeles, acting by and through the Department of Water and Power (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; Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP); Southern California Edison, a California corporation; Southern California Public Power Authority, a California public entity; and Sun Streams 2, LLC, a Delaware limited liability company,

DWP No. BP 19-033. The draft ordinance also delegates to the Board of Water and Power Commissioners (Board) limited authority to the Interconnection agreement.

Background

The Interconnection Agreement establishes the costs, terms, and conditions for the construction, operation, and maintenance of the facilities needed for Sun Streams 2, LLC physically to interconnect its 150 megawatt solar-powered generating facility to the ANPP Hassayampa Switchyard.

The Interconnection Agreement will terminate upon the first of the following events to occur: (1) the termination of the ANPP Participation Agreement, DWP No. 10457; (2) written agreement of all parties to terminate it; (3) termination of the Interconnection Agreement pursuant to Section 22 (Default); or (4) upon no less than 90 calendar days' advance written notice of termination from Sun Streams 2, LLC to the operating agent of the ANPP Hassayampa Switchyard, SRP.

Charter Enabling Provisions

Charter Section 674(a)(1) provides that subject to approval by ordinance, the Board shall have the power to approve contracts with the United States, or any of its agencies, any state or any state agency, and any corporation, public or private, located inside or outside of the City of Los Angeles or State of California for the construction, ownership, operation, and maintenance of facilities for the generation, transformation, and transmission of electric energy that provides for a sharing of the use and benefits and of the capital charges and other obligations associated with the facilities. In addition, pursuant to Charter Section 101, the City Council has the power to authorize the Board to amend the Interconnection Agreement without further City Council approval.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the Interconnection Agreement is exempt pursuant to the 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 or state law equivalent to CEQA.

Council Rule 38 Referral

Pursuant to Council Rule 38, this draft ordinance has been presented to the Board of Water and Power Commissioners.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213) 367-4363. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:BS:rb
Transmittal