



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 20 - 0045  
FEB 11 2020

**REPORT RE:**

**DRAFT ORDINANCE APPROVING THE AMENDED AND RESTATED  
VICTORVILLE-LUGO INTERCONNECTION AGREEMENT BETWEEN THE CITY OF  
LOS ANGELES, ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND  
POWER, AND SOUTHERN CALIFORNIA EDISON COMPANY; AND DELEGATING  
TO THE BOARD OF WATER AND POWER COMMISSIONERS LIMITED AUTHORITY  
TO AMEND THE INTERCONNECTION 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. 20-0132

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 (1) the approval of the Amended and Restated Victorville-Lugo Interconnection Agreement, DWP No. 10343 (Interconnection Agreement), and (2) a delegation to the Board of Water and Power Commissioners (Board) of limited authority to amend the Interconnection Agreement.

Background

The City of Los Angeles, acting by and through the Department of Water and Power (LADWP), and Southern California Edison (SCE) (Parties collectively, Party individually) were parties to the Victorville-Lugo Interconnection Agreement, dated November 20, 1969, governing the interconnection between LADWP's 500kV Victorville Switchyard and SCE's Lugo 500kV Substation (Original Agreement) (Interconnection).

This Interconnection connects LADWP and SCE's respective transmission systems, the Northern West of the River, and allows for a capacity sharing arrangement between the Parties for the reliable operation of their respective electric systems. This capacity-sharing arrangement at the Interconnection does not have a financial impact on LADWP. The Parties desire to continue in the capacity sharing arrangement for operational reliability, however, the Original Agreement expired on November 20, 2019.

This proposed Interconnection Agreement will (1) revise the Available Scheduling Capacity and associated Capacity Share Percentages allowed between the Parties to reflect the additional power transfer contributions resulting from the facility modifications that have occurred over time to each Party's transmission system; (2) update the terms and conditions relating to the capacity-sharing arrangement between the Parties for the reliable operation of each Party's electric system; and (3) extend the term of the Original Agreement for an additional 40 years, to expire on November 20, 2059.

#### Charter Enabling Provisions

Charter Section 674(a)(1) provides that, subject to approval by ordinance, the Board has 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 Agreement is exempt pursuant to the CEQA Guidelines Section 15060(c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in direct or reasonably foreseeable indirect physical change in the environment. The ownership, use, interconnections, and financial responsibilities of the Agreement, will not result in any physical change in the environment. Therefore, this activity is not subject 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:SD:rb  
Transmittal