

**ORIGINAL**

POWER SYSTEM

OCT 15 2015

EXECUTIVE OFFICE

0150-09362-0001

**TRANSMITTAL**

TO Marcie L. Edwards, General Manager Department of Water and Power	DATE <b>OCT 15 2015</b>	COUNCIL FILE NO
FROM The Mayor	COUNCIL DISTRICT	

**FIRST AMENDMENT TO THE SMART GRID DEMONSTRATION COOPERATIVE PROJECT AGREEMENT IN COLLABORATION WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA, THE UNIVERSITY OF CALIFORNIA AT LOS ANGELES, AND THE JET PROPULSION LABORATORY**

Approved and transmitted for further processing including Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR **Ana Guerrero**

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 13, 2015

CAO File No. 0150-09362-0001

Council File No.

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated July 27, 2015; referred by the Mayor for report on August 6, 2015

Subject: **FIRST AMENDMENT TO THE SMART GRID DEMONSTRATION COOPERATIVE PROJECT AGREEMENT IN COLLABORATION WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA, THE UNIVERSITY OF CALIFORNIA AT LOS ANGELES, AND THE JET PROPULSION LABORATORY**

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### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution and Ordinance authorizing the First Amendment to the Smart Grid Demonstration Cooperative Project Agreement (Project Agreement) in support of the Smart Grid Regional Demonstration Program (SGRDP; Program). The intent of the Program is to study smart grid technology in order to set a foundation for future investments. Since 2010, DWP has been in collaboration with the University of Southern California (USC), the University of California at Los Angeles (UCLA), and the Jet Propulsion Laboratory (JPL), collectively known as the Participants.

The original Project Agreement included an approved budget of \$120.6 million in 2010. SGRDP was partially funded with a \$60.3 million matching grant from the U.S. Department of Energy through the 2009 American Recovery and Reinvestment Act (ARRA). Additional matching funds were provided by DWP (\$49.3 million), UCLA and USC (\$10.0 million), and the California Energy Commission (\$1.0 million). The total Program cost remains unchanged and no increase in funding is requested in this proposal.

Due to delays in procurement, implementation, and coordination with the Project Participants, DOE approved a one year extension of the federal grant. DWP accepted the extension in order to collect two years of operational data mandated by the grant. Consistent with the grant term extension, approval of the proposed resolution will extend the contract term by one year resulting in a total duration of six years. Additionally, the proposed resolution delegates authority to the DWP Smart Grid Program Director to extend the term up to two additional years in one-year increments resulting in a potential duration up to eight years.

The Project Agreement expenditures are budgeted and funded out of various Power System funds. The SGRDP Program has expended a total of \$97.4 million. DWP has already received \$54.6 million in reimbursements from the U.S. Department of Energy. If this Project Agreement is

not amended to allow completion of the SGRDP, DWP would be required to return the \$54.6 million in federal funding already reimbursed pursuant to the terms of the grant.

The Program Participants have made progress in the areas of advanced metering, customer behavior, cyber security, demand response, electric vehicle (EV) infrastructure, and distribution automation. Specific projects include:

- Deployed 52,000 smart meters with communication infrastructure to collect real-time data and send commands to the meters;
- Installed 1,100 smart meters at UCLA residential housing units which are also equipped with smart thermostats, smart appliances, or direct energy control capabilities;
- Installed automatic load curtailment technology on 56 commercial buildings at USC;
- Supported the installation of 124 EV chargers at the John Ferraro Building and at various City facilities;
- Provided 898 EV rebates for DWP customers; and,
- Deployed technologies in the Home and Garage of the Future

Council approval by Ordinance is in accordance to Charter Section 262(a)(2) pertaining to the payment of funds prior to reimbursement by the federal grant. Council approval is required for contracts that exceed three years, pursuant to Charter Section 373. The City Attorney has approved the resolution, Ordinance, and Agreement as to form and legality.

## **RECOMMENDATIONS**

That the Mayor:

1. Approve the proposed resolution and Ordinance authorizing the First Amendment to the Smart Grid Demonstration Cooperative Agreement in collaboration with the University of Southern California, the University of California at Los Angeles, and the Jet Propulsion Laboratory to (i) extend the term by one-year with two one-year extensions, for a total of eight years, and (ii) authorize the DWP Smart Grid Program Director to execute the extensions as required; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed Ordinance does not result in a fiscal impact to Water or Power Revenue Funds or the City General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

**TIME LIMIT FOR COUNCIL ACTION**

The City Attorney has advised that there is no time limitation on this action due to the ordinance approval requirement.

*MAS:RR:06160031*