

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to authorizing the Los Angeles Department of Water and Power (LADWP) to execute and utilize the new Standard Offer for Self-Generation Interconnection Agreement.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioner's action of January 5, 2016, Resolution No. 016-142, authorizing the LADWP to utilize the new Standard Offer for Self-Generation Interconnection Agreement and execute future agreements substantially in that form in accordance with Board Resolution No. 016-142.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed resolution does not result in a fiscal impact to the Power Revenue Fund or the City General Fund. The proposed agreement complies with the LADWP adopted Financial Policies.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - MARCH 6, 2016**

**(LAST DAY FOR COUNCIL ACTION - MARCH 2, 2016)**

### Summary

At the public hearing held on February 3, 2016, the Energy and Environment Committee considered reports from Board of Water and Power Commissioners and CAO, and Resolution No. 016-142 relative to the new Standard Offer for Self-Generation Interconnection Agreement (Standard Offer Agreement).

The CAO notes that approval of the proposed Standard Offer Agreement modifies the current agreements to:

- Limit the liability of the City and LADWP for defined operating and maintenance events.
- Identify operating procedures to be coordinated between the customer and LADWP in order to enhance operational safety for both parties.
- Require Solar Incentive Program (SIP) participants to carry insurance naming LADWP as an additional insured for large solar facilities, more than 3 megawatts (MW), that do not provide qualifying self-insurance.
- Discontinue the requirement for SIP participants to carry general liability insurance for small solar facilities (between 30 kW and 3 MW).
- Provide a contract term that will not expire allowing administrative cost savings for the customer and the LADWP. Termination of the Standard Offer Agreement can occur if there is a material breach, by mutual agreement, as a result of a change in ownership, or if the generating facility becomes inoperable or replaced with new technology.

The proposed insurance requirements are intended to encourage the development of self-generation facilities while not adversely impacting the LADWP. Additionally, the LADWP states that removing the insurance requirement for small facilities is appropriate considering that the interconnection of a non-solar or solar generation facility less than 3 MW is not anticipated to cause damage to LADWP facilities.

After an opportunity for public comment, the Committee recommended that Council approve the Resolution and authorize the LADWP to execute and utilize the new Standard Offer for Self-Generation Interconnection Agreement. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

**ENERGY AND ENVIRONMENT COMMITTEE**

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
FUENTES:	YES
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	YES
O'FARRELL:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**