

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed agreements with Ultramar Inc., a subsidiary of Valero Energy Corporation (Valero), relating to electric service and customer generation interconnection.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of February 2, 2016, Resolution No. 016-165, authorizing two agreements between the Los Angeles Department of Water and Power (LADWP) and Valero including Electric Service Agreement No. RCS140003 with a term of five years, and Customer Generation Interconnection Agreement No. PD3463 with a term of five years.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed Electric Service Agreement and Customer Generation Interconnection Agreement will affect the Power Revenue Fund with a reduction in revenue of \$1.4 million annually or \$7 million over the five-year term of the contract offset by a potential increase in revenue up to \$12 million if Valero achieves higher load factors. There is no impact to the City General Fund. The proposed agreements comply with the LADWP adopted Financial Policies.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - APRIL 4, 2016**

**(LAST DAY FOR COUNCIL ACTION - APRIL 1, 2016)**

Summary:

At a meeting held on March 16, 2016, the Energy and Environment Committee considered reports from the Board of Water and Power Commissioners and City Administrative Officer, and Resolution No. 016-165 relative to proposed agreements with Valero relating to electric service and customer generation interconnection. After providing an opportunity for public comment, the Committee recommended that Council concur with the Board action as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

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



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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**