



Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

Handwritten signature of Reiko A. Kerr in blue ink.

REIKO A. KERR

Senior Assistant General Manager – Power System  
Engineering, Planning, and Technical Services

Handwritten signature of Martin L. Adams in blue ink.

MARTIN L. ADAMS

General Manager and Chief Engineer

**DATE:** November 22, 2019

**SUBJECT:** Open Access Transmission Tariff Form Of Service Agreement for Firm Point-To-Point Transmission Service, DWP No. BP 19-012, Between Powerex Corporation and the Los Angeles Department of Water and Power

### SUMMARY

The proposed Open Access Transmission Tariff (OATT) Form Of Service Agreement (Agreement) for Firm Point-To-Point Transmission Service, DWP No. BP 19-012, between Powerex Corporation (Powerex) and the Los Angeles Department of Water and Power (LADWP) is for a transmission capacity of 496 megawatts (MW) over a term of two years from January 1, 2020 to January 1, 2022. The Agreement also contains an automatic renewal option for an additional two years, unless either party provides notification of a desire to terminate.

City Council approval by ordinance is required per Charter Section 674.

### RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) approve the attached Resolution, approving the Agreement, approved as to form and legality by the City Attorney, subject to further approval by the Los Angeles City Council (City Council) by ordinance.

### ALTERNATIVES CONSIDERED

Alternatives are not applicable. LADWP voluntarily provides open access transmission and interconnection services on a comparable, non-discriminatory and non-preferential basis to all qualified transmission and interconnection service customers. Powerex is a qualified transmission service customer who submitted a transmission service request pursuant to the LADWP's OATT procedures. LADWP is capable of providing the requested transmission service.

## **FINANCIAL INFORMATION**

Pursuant to LADWP's current OATT rates, this Agreement would generate revenue of approximately \$39 million dollars over the initial two year term, and a total of approximately \$78 million dollars if the Agreement is renewed for the additional two years.

## **BACKGROUND**

LADWP's OATT was approved by the Board on October 2, 2001, and by the City Council on March 12, 2002, which was amended on July 1, 2014 and on July 3, 2017 to update the rates, terms and conditions, and procedures for open access transmission service and ancillary services on the LADWP Transmission System for all eligible transmission customers on an open access and not unduly discriminatory or preferential basis.

Powerex is a corporation organized and existing under the laws of the Province of British Columbia doing business in California as Powerex Energy Corporation. Powerex is requesting Firm Point-To-Point Transmission Service pursuant to LADWP's OATT. The Agreement is for a transmission capacity of 496 MW over a term of two years from January 1, 2020 to January 1, 2022. The Agreement also contains an automatic renewal option for an additional two years, unless either party provides notification of a desire to terminate.

LADWP has reviewed the transmission service request and confirmed that LADWP is capable of providing this service to Powerex.

## **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Therefore, the adoption of the Agreement for Firm Point-to-Point Transmission Service is not subject to CEQA.

### **City Administrative Officer (CAO) Report**

The CAO Report dated November 19, 2019 is attached.

## **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

## **ATTACHMENTS**

- Resolution
- Agreement
- Draft Ordinance
- CAO Report