



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R 23 - 0079
FEB 28 2023

**DRAFT ORDINANCE APPROVING CONTRACT NO. 21-DSR-13092 FOR THE
NAVAJO PROJECT NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
DECOMMISSIONING OF A PHASE SHIFTING TRANSFORMER
AT THE LIBERTY SUBSTATION, DWP NO. BP21-014**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

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 the approval of Contract No. 21-DSR-13092 for the Navajo Project Northwest-Pacific Southwest Intertie Project Decommissioning of a Phase Shifting Transformer at the Liberty Substation, DWP No. BP21-014 between the Navajo Participants and the United States of America Department of Western Area Power Administration Desert Southwest Region (WAPA), for the decommissioning of the phase shifting transformer at the Liberty Substation (Liberty Phase Shifter) (Decommissioning Agreement). Pursuant to the Decommissioning Agreement, WAPA is identified as the Decommissioning Agent, responsible for carrying out the decommissioning of the Liberty Phase Shifter in accordance with the terms and conditions of the Decommissioning Agreement.

Background

The Navajo Participants consist of the City of Los Angeles, acting by and through the Department of Water and Power (LADWP); the United States of America, acting through the Secretary of the Interior; Arizona Public Service Company (APS); NV Energy; Salt River Project Agricultural Improvement and Power District (SRP); and Tucson Electric Power. The Navajo Project is comprised of: (1) the Navajo Southern Transmission System (STS); and (2) the Navajo Western Transmission System (WTS).

In 1974, the Navajo Participants entered into the Navajo Project Pacific Northwest-Pacific Southwest Intertie Project for the Installation, Operation, Maintenance and Replacement for the Phase Shifting Transformer at the Liberty Substation, Contract No. 14-06-300-2438 (Liberty Agreement No. 2438), as it may be amended from time to time, to establish the terms and conditions for the operation and maintenance of Liberty Phase Shifter. The original installation of the Liberty Phase Shifter was necessary for the most economical control of division of the power flow between the Mead-Liberty line and the Navajo Project. The Navajo Participants determined that the Liberty Phase Shifter is no longer needed for the economic and reliable operation of the Navajo Project. Furthermore, additional studies performed by the Navajo Participants determined that the decommissioning of the Liberty Phase Shifter would not cause a negative impact on other transmission systems and/or transmission paths interconnected to the Navajo Project.

The Navajo Participants and WAPA are proposing to enter into the Decommissioning Agreement, which outlines the respective rights and obligations of each party for the decommissioning of the Liberty Phase Shifter. LADWP's share of the decommissioning cost is estimated at \$175,259.75. LADWP shall not incur any additional liability or cost associated with the Liberty Phase Shifter or its decommissioning.

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.

CEQA Findings

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3), the Decommissioning Agreement is exempt. In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, entering into Decommissioning Agreement is not subject to CEQA.

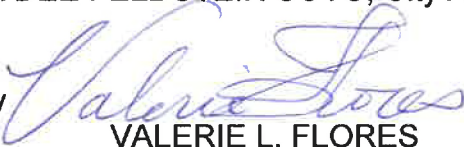
Council Rule 38 Referral

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. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By  VALERIE L. FLORES

Chief Assistant City Attorney

VF:SD:ms
Transmittal