



RESOLUTION NO. 025 025

BOARD LETTER APPROVAL

Simon Zewdu

SIMON ZEWDU
Senior Assistant General Manager
Power System

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Aram Benyamin (Jul 25, 2024 12:03 PDT)

ARAM BENYAMIN
Chief Operating Officer

Janisse Quiñones

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: July 15, 2024

SUBJECT: Navajo Large Generator Interconnection Agreement – AES ES Westwing, LLC; AES Westwing II ES, LLC; Arizona Public Service Company; LADWP; Nevada Power Company; Salt River Project Agricultural Improvement and Power District; Tucson Electric Power Company; and the United States of America, Department of the Interior, Bureau of Reclamation for Q292, Contract No. 54548/DWP No. BP 22-012

SUMMARY

Approval is requested for the Navajo Large Generator Interconnection Agreement – AES ES Westwing, LLC; AES Westwing II ES, LLC; Arizona Public Service Company; LADWP; Nevada Power Company; Salt River Project Agricultural Improvement and Power District; Tucson Electric Power Company; and the United States of America, Department of the Interior, Bureau of Reclamation for Q292, Contract No. 54548/DWP No. BP 22-012 (Navajo LGIA). The Navajo Participants include the City of Los Angeles, acting by and through LADWP; the United States of America, Department of the Interior, Bureau of Reclamation; Arizona Public Service Company (APS); Nevada Power Company d/b/a NV Energy, a Nevada corporation; Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona; and Tucson Electric Power Company, formerly known as Tucson Gas and Electric Company, an Arizona corporation. The Navajo LGIA allows AES ES Westwing, LLC, and AES Westwing II ES, LLC, identified

by the designated Operating Agent as Q292 (Interconnection Customer), to interconnect a 200-megawatt (MW) net-to-grid battery energy storage in two phases of 100 MW each to the Westwing 230-kiloVolt (kV) Switchyard, which is a part of the Navajo Project (Project).

The Navajo LGIA establishes the costs, terms, and conditions for the construction, operation, and maintenance of the facilities needed for the Interconnection Customer to physically interconnect the Project to the Westwing 230-kV Switchyard. The term of the Navajo LGIA is coterminous with the Amended and Restated Navajo Co-Tenancy Agreement, as it may be amended from time to time, DWP No. BP 19-006 (hereinafter referred to as the Navajo CTA), unless it is terminated earlier in accordance with the termination provisions of the Navajo LGIA.

City Council approval, by ordinance, is required pursuant to the Los Angeles Charter Section 674.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution requesting the Los Angeles City Council's approval, by ordinance, of the following:

- Execution of the Navajo LGIA.
- Delegation of authority to the Board to act on and approve all future amendments to the Navajo LGIA.

ALTERNATIVES CONSIDERED

A "no project agreement" alternative was considered. However, such an alternative is not feasible without a Navajo LGIA. The Interconnection Customer will not be able to physically interconnect the Project to the Westwing 230-kV Switchyard without an executed Navajo LGIA.

FINANCIAL INFORMATION

LADWP has no ownership share in the Westwing 230-kV Switchyard and does not anticipate any financial impact from the execution of the Navajo LGIA.

BACKGROUND

The Navajo Participants are joint owners in the Navajo Project, consisting of the Navajo Southern Transmission System (STS), and the Navajo Western Transmission System (WTS). APS is the designated Operating Agent of the Westwing 230-kV Switchyard, which is part of the STS.

The Navajo LGIA allows for the interconnection of the Project to the Westwing 230-kV Switchyard, which is a part of the Navajo Project.

The Navajo LGIA shall remain in effect unless the first of the following events occur: (i) the termination of the Navajo CTA or any replacement agreement thereof; (ii) written agreement of all parties to terminate; (iii) termination pursuant to Article 20 therein; (iv) termination pursuant to Article 5.15 therein; or (v) upon no less than ninety (90) calendar days advance written notice of termination from Interconnection Customer to Operating Agent.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on June 20, 2024.

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. Entering into an LGIA will not result in any physical change in the environment; therefore, this activity is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Navajo LGIA
- Draft Ordinance
- CAO Report