



RESOLUTION NO. 025 115

BOARD LETTER APPROVAL


David Hanson (Nov 22, 2024 12:13 PST)

DAVID W. HANSON
Senior Assistant General Manager
Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: November 22, 2024

SUBJECT: Transmission Service Agreements with Open Mountain Energy, LLC for Firm Point-To-Point Transmission Service, DWP Nos. BP 22-007, BP 22-019, and BP 23-002

SUMMARY

The proposed Resolution recommends approval of the Transmission Service Agreements with Open Mountain Energy, LLC (OME), DWP Nos. BP 22-007, BP 22-019, and BP 23-002 (Transmission Service Agreements [TSAs]) for conditional firm point-to-point transmission service for the delivery of power from Gonder Substation to the Mona Substation. Specifically, OME has requested transmission service for the following:

1. Agreement No. BP 22-007 – 13 megawatts (MW) of power for service to commence on June 1, 2025.
2. Agreement No. BP 22-019 – 6 MW of power for service to commence on December 1, 2024.
3. Agreement No. BP 23-002 – 20 MW of power for service to commence on March 1, 2025.

Each TSA also includes an automatic renewal option for an additional term extending through June 15, 2027, unless either party provides notification of a desire to terminate on or before the date that is one year prior to the last day of the initial term of the TSA. Los Angeles City Council approval, by ordinance, is required pursuant to Charter Section 674.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval, by ordinance, of the TSAs with OME.

ALTERNATIVES CONSIDERED

An alternative considered would be to not approve the Resolution for the TSAs, resulting in a "no agreement" which would not be feasible.

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. As an Eligible Customer under LADWP's Open Access Transmission Tariff (OATT), OME submitted several transmission service requests and LADWP is capable of providing the requested transmission service.

FINANCIAL INFORMATION

Pursuant to LADWP's current OATT rates, the proposed TSAs would generate revenue of approximately \$2.9 million dollars over the initial two-year term, and a total of approximately \$3.7 million dollars if the TSAs are renewed.

BACKGROUND

LADWP's OATT was approved by the City Council on March 12, 2002, and was subsequently amended, to update the rates, terms and conditions, and procedures for open access transmission service and ancillary services for all Eligible Customers as defined in the OATT, on an open access and not unduly discriminatory or preferential basis. All subsequent amendments were approved by the City Council.

OME requested Conditional Firm Point-To-Point Transmission Service pursuant to LADWP's OATT. LADWP has reviewed the transmission service request and confirmed that LADWP has the available transmission capacity to provide OME with the requested transmission service. Furthermore, each TSA will automatically renew for an additional term extending through June 15, 2027, unless either party notifies the other party of the termination of the automatic renewal option on or before the date that is one year prior to the last day of the initial term of the TSAs.

OME initially requested Conditional Firm Point-To-Point Transmission Service for the delivery of 13 MW of power from the Gonder Substation to the Mona Substation, BP 22-007, with service to commence on June 1, 2024. As allowed under the OATT, OME has requested that service for BP22-007, be deferred to commence on June 1, 2025.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on October 2, 2024.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 15060(c)(3). 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)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the approval of the TSAs is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- TSAs
- Ordinance (draft)
- CAO Report