

RESOLUTION NO. 022 042

WHEREAS, the Los Angeles Department of Water and Power's (LADWP's) Renewable Portfolio Standard Policy and Enforcement Program represents the continued commitment by LADWP to renewable energy resources including compliance targets for LADWP to supply 33 percent of its retail energy from eligible renewable energy sources by 2020 in accordance with the California Renewable Energy Resources Act (SB 2-1X), 44 percent by December 31, 2024, 52 percent by December 31, 2027, and 60 percent by 2030 in accordance with Senate Bill 100 (SB 100); and

WHEREAS, SB 100 further establishes a 2045 goal to have an electric grid that is entirely powered by zero carbon energy; and

WHEREAS, Southern California Public Power Authority (SCPPA), a non-profit joint power agency formed to facilitate joint power and transmission projects for its members including LADWP, entered into the Red Cloud Power Purchase Agreement (PPA) with Red Cloud LLC (Developer) to purchase all of the energy, environmental attributes, and capacity rights produced from the 331 megawatts (MW) wind project for a 20-year term and which term can be extended in accordance with the terms of the PPA (Red Cloud Wind Project); and

WHEREAS, in November 2020, the Los Angeles City Council adopted Ordinance No. 186801, approving the Red Cloud Wind Project Power Sales Agreement, No. BP20-001 (PSA), by and between the City of Los Angeles, acting by and through the Department of Water and Power, and SCPPA; and

WHEREAS, the PSA sets forth the terms and conditions of LADWP's acquisition of 331 MW wind energy output, associated environmental attributes, and generating capacity rights as produced by the Red Cloud Wind Project; and

WHEREAS, the Red Cloud Wind Project is physically located in the Balancing Authority (BA) of the Public Service Company of New Mexico (PNM); and

WHEREAS, in order for LADWP to receive all the environmental attributes associated with the Red Cloud Wind Project, and to allow participation of the Red Cloud Wind Project as a participating resource in LADWP's energy imbalance market, pseudo-tie arrangements are needed to "virtually" remove the Red Cloud Wind Project from PNM's BA and "virtually" relocate it the LADWP's BA; and

WHEREAS, LADWP, PNM, and Red Cloud Wind, LLC desire to enter into the Red Cloud Wind Pseudo-Tie Agreement, DWP No BP 21-003 (Pseudo-Tie Agreement) to facilitate the pseudo-tie arrangement and virtually relocate the Red Cloud Wind Project from PNM's BA to LADWP's BA; and

WHEREAS, the Pseudo-Tie Agreement establishes the terms and conditions for the pseudo-tie arrangement amongst the parties, and the term of the of the Pseudo-Tie Agreement is coterminous with the term of the PPA and the PSA.

NOW, THEREFORE, BE IT RESOLVED that the Red Cloud Wind Pseudo-Tie Agreement, BP 21-003 now on file with the Secretary of the Board, and approved as to form and legality by the City Attorney, be and the same are hereby approved.

BE IT FURTHER RESOVLED that the Board requests that the Los Angeles City Council (City Council) approve the Pseudo-Tie Agreement, by ordinance; and authorize the Board to act of and approve all future amendments to said agreement without further approval by City Council.

BE IT FURTHER RESOLVED that the President or the Vice President of this Board, or Interim General Manager, or such person as he shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of this Board are hereby authorized, empowered, and directed to execute said agreements for and on behalf of LADWP upon approval by the City Council by ordinance pursuant to Section 674 of the Charter of the City of Los Angeles.

BE IT FURTHER RESOLVED that the Chief Accounting Employee, upon proper certification, is hereby authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising from or related to the agreements.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **SEP 28 2021**



ACTING SECRETARY

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

SEP 29 2021
BY 
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY