



RESOLUTION NO. _____

BOARD LETTER APPROVAL

REIKO A. KERR
Senior Assistant General Manager – Power System
Engineering, Planning, and Technical Services

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: September 3, 2021

SUBJECT: Open Access Transmission Tariff Form of Service Agreements for Firm Point-To-Point Transmission Service, DWP No. BP 20-025, DWP No. BP 20-026, DWP No. BP 20-027, DWP No. BP 20-028, and DWP No. BP 20-029 Between Powerex Corporation and the Los Angeles Department of Water and Power

SUMMARY

The proposed Open Access Transmission Tariff (OATT) Agreements referenced above are for a combined transmission capacity of 496 megawatts (MW) over a term of two years from January 1, 2022 to January 1, 2024. The individual agreements are listed in the table below having the following Points of Receipt (PORs) and Points of Delivery (PODs): (1) Nevada-Oregon Border on the Pacific Intertie (DC) Transmission Line (NOB); (2) Palo Verde Nuclear Generating Station (Paloverde500); (3) Mead 230 kilovolts (kV) Substation (Mead230); and (4) Sylmar Converter Station (Sylmar).

DWP No.	POR – POD	Capacity (MW)
BP 20-025	NOB-Paloverde500	300
BP 20-026	NOB-Paloverde500	50
BP 20-027	NOB-Mead230	6
BP 20-028	NOB-Paloverde500	18
BP 20-029	NOB-Sylmar	122

The Agreements also contain 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 approved as to form and legality by the City Attorney, subject to further approval by the 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. As an Eligible Customer, in accordance with LADWP's OATT, Powerex submitted several transmission service requests; LADWP is capable of providing the requested transmission service.

FINANCIAL INFORMATION

Pursuant to LADWP's current OATT rates, the Agreements would generate revenue of approximately \$38.4 million dollars over the initial two-year term, and a total of approximately \$76.8 million dollars if the Agreements are renewed for the additional two years.

BACKGROUND

LADWP's OATT was approved by the City Council on March 12, 2002, and was subsequently amended several times 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 Customers on an open access and not unduly discriminatory or preferential basis. All subsequent amendments were approved by the City Council.

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. Pursuant to LADWP's OATT, Powerex requested the following transmission services, as shown in the table below:

Term	POR – POD	Capacity (MW)
01/01/22 to 01/01/24	NOB-Paloverde500	300
01/01/22 to 01/01/24	NOB-Paloverde500	50
01/01/22 to 01/01/24	NOB-Mead230	6
01/01/22 to 01/01/24	NOB-Paloverde500	18
01/01/22 to 01/01/24	NOB-Sylmar	122

Each Agreement also contain 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.

City Administrative Officer Report

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report dated July 6, 2021, is attached.

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 entering into agreements for Firm Point-to-Point Transmission Service is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Agreements
- Draft Ordinance
- CAO Report