

BOARD LETTER APPROVAL



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Engineering, Planning, and Technical Services



**MARTIN L. ADAMS**  
General Manager and Chief Engineer

**DATE:** October 15, 2021

**SUBJECT:** General Manager's Certificate Recommending Approval of Amendment No. 4 to the Los Angeles Department of Water and Power's Open Access Transmission Tariff

**SUMMARY**

Requesting approval of the General Manager's (GM) Certificate recommending Amendment No. 4 to LADWP's Open Access Transmission Tariff (OATT). The proposed OATT revisions (2021 OATT) are limited to changes to the non-rate terms and conditions of LADWP's OATT and do not materially affect the rates, terms and conditions of the OATT (hereinafter referred to as Tariff Revisions), and thereby qualify as a Minor Tariff Change under the Procedures for Public Participation in Tariff Changes for the LADWP (Tariff Change Procedures). Furthermore, the GM certifies that the Tariff Revisions provide terms and conditions of service that are comparable to those under which LADWP provides transmission and ancillary services to itself and that are not unduly discriminatory or preferential. As a result, the GM recommends that the Board of Water and Power Commissioners (Board) and the Los Angeles City Council (City Council) accept the Tariff Revisions, as further described below.

The City Council approval is required pursuant to Los Angeles Administrative Code Section 23.134.

## **RECOMMENDATION**

It is requested that the Board adopt the attached Resolution recommending City Council's approval of Amendment No. 4 of the OATT. The OATT will remain effective until it is rescinded or a new amendment is approved by the City Council.

## **ALTERNATIVES CONSIDERED**

Alternatives are not applicable. As a municipal utility, LADWP's wholesale sales and provision of transmission in interstate commerce is generally not subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). LADWP voluntarily provides open access transmission and interconnection services on a comparable, non-discriminatory and non-preferential basis to all qualified transmission service and interconnection customers, including LADWP, taking service under LADWP's OATT.

## **FINANCIAL INFORMATION**

There is no financial impact to LADWP resulting from the adoption of proposed Tariff Revisions.

## **BACKGROUND**

On August 7, 2020, LADWP commenced a public stakeholder process, pursuant to Section No. 4 of Tariff Change Procedures, regarding proposed amendments to LADWP's OATT. The Tariff Revisions were limited to minor revisions to non-rate terms and conditions including adding provisions to LADWP's OATT governing:

- (1) *Sales from Designated Network Resources During a System Emergency* – LADWP is proposing two sets of revisions to its OATT to allow for sales from designated Network Resources. The first deals with sales during Emergencies on LADWP's own transmission system and on a third-party transmission system and the second adds a new defined term "Emergency."
- (2) *Timeline for Undesignating Network Resources* – LADWP is proposing to modify the deadline for undesignating Network Resources under its OATT to enable temporary undesignation of Network Resources.
- (3) *Bookout Transactions* – LADWP is proposing revisions to its OATT to allow for "bookout" transactions which are transactions that do not result in the physical flow of power due to the matching of offsetting transactions during a given hour at a single delivery point, and thereby minimizing administrative burdens and maximizing the efficient settlement of trades.

(4) *Ministerial OATT revisions* – LADWP is proposing revisions to its OATT to update certain information including, but are not limited to contact information in Attachment L and the addition of one Energy Imbalance Market (EIM) charge code to Attachment O that was not included in the OATT Amendment No. 3 approved by the City Council in 2020 to facilitate LADWP’s entry into the EIM.

The GM finds the proposed Tariff Revisions were not disputed by stakeholders and the need for amendment to the OATT has been demonstrated by LADWP.

#### City Administrative Officer (CAO) Report

In accordance with the Mayor’s Executive Directive No. 4, the CAO report dated July 6, 2021, is attached.

#### **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 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 amendment to an open access transmission tariff is not subject to CEQA.

#### **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution and Amendment No. 4 to the OATT as to form and legality.

#### **ATTACHMENTS**

- Resolution
- GM’s Certificate – Amendment No. 4 to LADWP’s OATT
- CAO Report