

0150-03656-0098

TRANSMITTAL

TO
Martin L. Adams, General Manager
Los Angeles Department of Water and Power

DATE
08/25/21

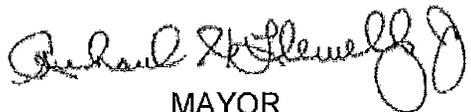
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

**LOS ANGELES DEPARTMENT OF WATER AND POWER: FOURTH AMENDMENT
TO THE OPEN ACCESS TRANSMISSION TARIFF (OATT)**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Rich Llewellyn for)

MWS:IR:10210146

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 6, 2021

CAO File No. 0150-03656-0098

Council File No.

Council District:

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer 

Reference: Communication from the Department of Water and Power dated May 13, 2021, Referred by Mayor's Office May 14, 2021.

Subject: **LOS ANGELES DEPARTMENT OF WATER AND POWER: FOURTH AMENDMENT TO THE OPEN ACCESS TRANSMISSION TARIFF (OATT)**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution authorizing a Fourth Amendment to the Open Access Transmission Tariff (OATT), including the General Manager's Certificate recommending amendments to update the non-rate terms, and or conditions, to the OATT, that do not materially affect the rates;
2. Upon proper certification, the Chief Accounting Employee is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations under the Fourth Amendment; and,
3. Return the proposed Resolution to the Department for further processing, including City Council consideration.

SUMMARY

The Los Angeles Department of Water and Power (LADWP) requests approval of the proposed Resolution and Fourth Amendment to the existing Open Access Transmission Tariff (OATT) relative to changes for non-rate terms, and/or conditions for transmission and ancillary services. The OATT revisions proposed by LADWP are considered Minor Tariff Changes under the Tariff Change Procedures. In addition, the General Manager's (GM) Certificate recommends the minor revisions as requested. LADWP joined the CAISO's Energy Imbalance Market (EIM) in April 2021 and participates in receiving and providing bulk energy from and to the EIM through the power grid system.

Under LADWP's current OATT policy and procedures adopted by the City Council in June 2020 (C.F. 19-1599) authority is provided to sell surplus capacity to eligible transmission customers in

accordance with the terms and conditions of the OATT. LADWP's participation in the EIM is a form of ancillary service identified in the OATT, and allows for the purchase and the sale of energy from and to EIM Entities and Participating Resources in the wholesale electricity market. The OATT will remain effective until it is rescinded or a new amendment is approved by the Board and the City Council.

The Board of Water and Power Commissioners (Board) have the authority to establish and set all tariffs, terms, conditions and charges, subject to City Council approval. In accordance with the Los Angeles Administrative Code (LAAC) Section 23.134, the proposed Resolution is subject to approval by a simple majority vote of the City Council. The City Attorney has approved the proposed Resolution as to form and legality.

Background

Through the OATT, the LADWP may sell surplus capacity to eligible customers in the wholesale energy markets upon review of its internal needs and a determination that such capacity is available. This evaluation is completed on a regular basis as LADWP receives service requests from OATT customers. The OATT was originally approved in March 2002, and most recently the pro forma Agreement was amended in 2020 and approved by the Board and the City Council in June 2020 (C.F.19-1599). The OATT Agreement outlines the standard rates, terms and conditions for open access transmission and ancillary services available relative to the LADWP transmission system for all eligible transmission customers.

Public Process and Proposed Changes

The OATT Tariff Change Business Practice encourages a transparent public process to address concerns from OATT stakeholders. LADWP commenced a public stakeholder process on August 7, 2020 to address the proposed revisions however no stakeholders provided written comments or feedback. Per the Tariff Change Procedures, LADWP issued an advance notice on June 1, 2020 and posted a copy of the proposed changes on the open access same-time information system (OASIS) noting its intent to consider revisions, and provided a lengthy public comment period through September 1, 2020.

The LADWP report includes the GM Certificate dated January 12, 2021, and summarizes the OATT Amendment No. Four process and proposed revisions, which are limited to non-rate terms and conditions as follows:

- Sales from Designated Network Resources during a System Emergency – LADWP is proposing revisions to allow for sales from designated Network Resources during Emergencies on LADWP's own transmission system and on a third party transmission system for up to two hours to respond to or prevent system Emergencies. Additionally, LADWP proposes to include the definition of "Emergency" to the OATT for further clarification.

- Timeline for Undesignating Network Resources – LADWP proposes to modify the deadline for undesignating Network Resources under its OATT. The prior language is not definitive and the proposed language provides a clear timeline for undesignated resources for a period of a day or longer, and for less than one day.
- Bookout Transactions – LADWP proposes to allow for “bookout” transactions which do not result in the physical flow of power due to the matching of offsetting transactions during a give hour at a single point of delivery, and results in minimizing administrative workload and provides for efficient trades.
- Minor updates to Agreement – Minor revisions to the OATT will be made to update contact information; clarification on terminology used in Attachment A; corrections to administrative codes in Attachment O; and corrections to when rates are applicable in Schedule 4A and 9A.

FISCAL IMPACT STATEMENT

There is no General Fund impact. Approval of the proposed Resolution and revisions to the OATT are limited to non-rate terms and conditions and do not have a fiscal impact. However, any future Open Access Transmission Service and Ancillary Services provided under the OATT impacts the Power Revenue. The proposed Agreement complies with the LADWP Financial Policies.

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Attachments