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CITY ATTORNEY

REPORT NO. R 22 - 0254
JUL 21 2022

REPORT RE:

DRAFT ORDINANCE APPROVING THE ANPP HASSAYAMPA SWITCHYARD INTERCONNECTION AGREEMENT, DWP NO. BP 21-011, AND DELEGATING TO THE BOARD OF WATER AND POWER COMMISSIONERS AUTHORITY TO AMEND THE AGREEMENT

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the approval of the ANPP Hassayampa Switchyard Interconnection Agreement (Interconnection Agreement) by and among the City of Los Angeles, acting by and through the Department of Water and Power (LADWP); Arizona Public Service Company, an Arizona corporation; El Paso Electric Company, a Texas corporation; Public Service Company of New Mexico, a New Mexico corporation; Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP); Southern California Edison, a California corporation; Southern California Public Power Authority, a California public entity; and Sun Streams Expansion, LLC, a Delaware limited liability company, DWP No. BP 21-011. The ordinance also delegates to the Board of Water and Power Commissioners (Board) authority to amend the agreement.

Background

The Interconnection Agreement establishes the costs, terms, and conditions for the construction, operation, and maintenance of the facilities needed for Sun Streams Expansion, LLC to physically interconnect its combined 385 megawatt solar photovoltaic generating facility and 385 megawatt battery energy storage system (Expansion Project) to the ANPP Hassayampa Switchyard.

The Interconnection Agreement will terminate upon the first of the following events to occur: (1) termination of the ANPP Participation Agreement, DWP No. 10457; (2) written agreement of all parties to terminate the Interconnection Agreement; (3) termination of the Interconnection Agreement pursuant to Article 22 (Defaults); or (4) upon no less than 90 calendar days advance written notice of termination from Sun Streams Expansion, LLC to the Operating Agent of the ANPP Hassayampa Switchyard, SRP.

Charter Enabling Provisions

Charter Section 674(a)(1) provides that, subject to approval by ordinance, the Board has the power to approve contracts with the United States or any of its agencies, any state or any state agency, and any corporation, public or private, located inside or outside of the City of Los Angeles or State of California for the construction, ownership, operation, and maintenance of facilities for the generation, transformation, and transmission of electric energy that provides for a sharing of the use and benefits and of the capital charges and other obligations associated with the facilities. In addition, pursuant to Charter Section 101, the City Council has the power to authorize the Board to amend the Interconnection Agreement without further City Council approval.

CEQA Findings

The Interconnection Agreement 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)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, approving the Interconnection Agreement is not subject to CEQA.

Council Rule 38 Referral

Pursuant to Council Rule 38, this draft ordinance has been presented to the Board of Water and Power Commissioners.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213) 367-4363. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By 
DAVID MICHAELSON
Chief Assistant City Attorney

DM:SD:rb
Transmittal