

M.14

JUL 12 2022



Los Angeles  
Department of  
Water & Power

BOARD LETTER APPROVAL

RESOLUTION NO.

023 010

|  |                                       |
|--|---------------------------------------|
| <input checked="" type="checkbox"/> POWER SYSTEM | <input type="checkbox"/> WATER SYSTEM |
| <input type="checkbox"/> CAO                     | <input type="checkbox"/> CFO          |
| <input type="checkbox"/> LEGAL                   | <input type="checkbox"/> COO          |
| <input type="checkbox"/> SUSTAINABILITY          | <input type="checkbox"/>              |

~~AUG 04 2022~~

RELEASE DATE:

REIKO A. KERR

Senior Assistant General Manager – Power System  
Engineering, Planning, and Technical Services

MARTIN L. ADAMS

General Manager and Chief Engineer

DATE: June 23, 2022

**SUBJECT:** Arizona Nuclear Power Project Hassayampa Switchyard Interconnection Agreement among the Co-Owners of the Arizona Nuclear Power Project Hassayampa Switchyard and Sun Streams Expansion, LLC, DWP Agreement No. BP 21-011

### SUMMARY

Approval is requested for the proposed Arizona Nuclear Power Project (ANPP) Hassayampa Switchyard Interconnection Agreement, DWP Agreement No. BP 21-011 (Interconnection Agreement), among the Co-Owners of the ANPP Hassayampa Switchyard (ANPP Participants) and Sun Streams Expansion, LLC (Interconnector). The Interconnection Agreement allows the Interconnector to interconnect a 385 megawatt (MW) solar photovoltaic generating facility and a 385 MW battery energy storage system (Expansion Project) to the ANPP Hassayampa Switchyard (Interconnection). The Interconnection Agreement establishes the costs, terms, and conditions for the construction, operation, and maintenance of the facilities needed for Interconnector to physically interconnect the Expansion Project to the ANPP Hassayampa Switchyard. This Interconnection Agreement is effective upon execution by all ANPP Participants and the term is coterminous with the ANPP Participation Agreement, DWP No. 10457. LADWP will not gain any additional revenue from this Interconnection Agreement.

City Council approval, by Ordinance, is required pursuant to City Charter Section 674.

## **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution requesting the Los Angeles City Council's approval, by ordinance, of the following:

- Execution of the Interconnection Agreement; and
- Delegation of authority to the Board to act on and approve all future amendments to the Interconnection Agreement.

## **ALTERNATIVES CONSIDERED**

There are no alternatives in lieu of the Interconnection Agreement. The Interconnector will not be able to physically interconnect the Expansion Project to the ANPP Hassayampa Switchyard without an executed Interconnection Agreement.

## **FINANCIAL INFORMATION**

LADWP has a 3.20 percent ownership share in the ANPP High Voltage Switchyard, of which the Hassayampa Switchyard is a part. According to the Interconnection Agreement all costs associated with the interconnection are expected to be borne by the Interconnector or third parties. Hence, there should be no negative financial impacts to LADWP. As a result, LADWP's share of the annual expenditure for the operation, maintenance, and capital improvement of the switchyards, which is currently about \$100,000, is not expected to be impacted.

This Interconnection Agreement is effective upon execution by all ANPP Participants and shall terminate upon the first of the following events to occur: (i) the termination of the ANPP High Voltage Switchyard Participation Agreement, DWP No. 10457; (ii) written agreement of all parties to the Interconnection Agreement to terminate it; (iii) termination of the Interconnection Agreement pursuant to Article 22 (Defaults) of the Interconnection Agreement; or (iv) upon no less than ninety (90) calendar days' advance written notice of termination from Interconnector to the operating agent of the ANPP Hassayampa Switchyard.

## **BACKGROUND**

The ANPP consists of the Palo Verde Nuclear Generating Station and the ANPP High Voltage Switchyard, which is made up of both the Palo Verde Switchyard and the adjoining ANPP Hassayampa Switchyard. The ANPP is co-owned by the following: 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; Southern California Edison Company, a California corporation; Southern California Public Power Authority, a California public entity; and Salt River Project Agricultural Improvement and Power District, an Arizona agricultural improvement district (SRP). SRP is the designated operating agent of ANPP.

The Interconnection Agreement establishes the costs, terms, and conditions for the construction, maintenance, and operation of facilities needed for the Interconnection.

#### **City Administrative Officer Report**

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on June 22, 2022.

#### **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)(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.

#### **CITY ATTORNEY**

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

#### **ATTACHMENTS**

- Resolution
- Agreement
- Ordinance
- CAO Report