

WHEREAS, on March 22, 1978, the Federal Energy Regulatory Commission (FERC) issued License P-2426 to the Los Angeles Department of Water and Power (LADWP) and the California Department of Water Resources (DWR), as Co-licensees, to operate the South State Water Project Hydropower Project, West Branch (SSWP);

WHEREAS, the SSWP consists of two major hydropower developments, the Warne Power Development and the Castaic Power Development;

WHEREAS, the Warne Power Development is exclusively managed, operated, and maintained by the DWR;

WHEREAS, the Castaic Power Development includes the Pyramid Lake and Dam, Angeles Tunnel, Pyramid Lake Recreation Facilities, Primary Project Roads and Trails, Castaic Transmission Line, and Castaic Power Plant (CPP);

WHEREAS, the Castaic Power Development is managed by LADWP and DWR, under the Contract for Cooperative Development West Branch, California Aqueduct, LADWP Contract No. 10099 (Cooperative Agreement), dated September 1, 1966;

WHEREAS, LADWP manages the operation and maintenance of CPP, located within the Castaic Power Development;

WHEREAS, the CPP is the largest pump-storage hydroelectric plant in the western United States;

WHEREAS, with an installed licensed capacity of 1,275 MW (megawatts), the CPP is a clean energy and carbon-free facility that provides LADWP critical reserve capacity and serves as a premier energy storage facility for storing excess renewable energy;

WHEREAS, the current SSWP FERC License P-2426 expires on January 31, 2022;

WHEREAS, pursuant to the FERC relicensing process, the Co-licensees desire to extend the term of the current SSWP FERC License P-2426 for a maximum term of 50 years;

WHEREAS, as a requirement of the new FERC license (New FERC License P-2426), FERC will assess LADWP annual FERC license charges related to the operation of the CPP for the duration of the New FERC License P-2426;

WHEREAS, LADWP will fulfill its obligation of paying CPP's annual FERC license charges under the New FERC License P-2426;

WHEREAS, the Federal Power Act grants a number of federal and state agencies (hereinafter referred to individually as "Conditioning Agency" and collectively as "Conditioning Agencies") the authority and right to review and assure that the New FERC License P-2426 meets specific requirements under their regulatory authority;

WHEREAS, if and when FERC issues the New FERC License P-2426, it will include a series of protection, mitigation, and enhancement (PM&E) measures designed to

protect resources against potential impacts, mitigate any new impacts, and enhance resources affected by continued operation of the project;

WHEREAS, the implementation of such PM&E measures includes the protection of fish habitats, water quality, land restoration, protection of wildlife, preservation of cultural, historical, and archaeological resources, and provision of recreational facilities that directly affect the quality of life and the environment of communities during the term of the New FERC License P-2426;

WHEREAS, on January 31, 2020, after an extensive planning and collaborative stakeholder process, which involved representatives of the public, tribal organizations, environmental advocacy groups, and other governmental and non-governmental organizations, the Co-licensees filed with FERC a Final License Application, which included the final project description and proposed PM&Es identified by FERC;

WHEREAS, the Co-licensees agree the costs towards implementing these new PM&E and Conditioning Agency requirements in the New FERC License P-2426 should be allocated equally between the parties;

WHEREAS, the total 50-year not-to-exceed expenditure amount for the implementation of the new PM&E and associated Conditioning Agency agreement costs including a 20 percent contingency for unforeseen costs that may be imposed under the New FERC License P-2426 in the future, is estimated at \$86,227,600;

WHEREAS, LADWP's cost share is 50 percent of the total not-to-exceed expenditure amount for the implementation of the new PM&E and associated Conditioning Agency agreement costs with contingency over the 50-year term of the New FERC License P-2426, estimated at \$43,138,800;

WHEREAS, any release of funds from the estimated contingency amount will require review and joint approval of LADWP's Director of Environmental Affairs and Director of Power Supply Operations Divisions;

WHEREAS, the South SWP Hydropower FERC Project No. P2426 Cost Sharing Agreement by and between the City of Los Angeles, acting by and through the Department of Water and Power, and the California Department of Water Resources as Co-licensees of the South State Water Project Hydropower Project (Cost Sharing Agreement), DWP Agreement No. BP 21-001, outlines the terms and responsibilities of implementing the new PM&E and Conditioning Agency requirements related to the operation of the CPP under the New FERC License P-2426, including the Co-licensees' continuing obligation to pay for their respective power plant's annual FERC license charges, if and when the New FERC License P-2426 is issued;

WHEREAS, FERC may issue the New FERC License P-2426 on or about February 1, 2022, for a possible maximum term of 50 years; and

WHEREAS, if LADWP's actual cost-share of the new PM&E and Conditioning Agency agreement implementation costs in the future exceed the 50-year not-to-exceed estimated expenditure amount of \$43,138,800, an amendment to the Cost Sharing Agreement shall be presented to the Board for consideration and approval.

NOW, THEREFORE, BE IT RESOLVED that the Cost Sharing Agreement, a copy of which is on file with the Secretary of the Board of Water and Power Commissioners (Board), approved as to form and legality by the City Attorney, be and the same are hereby approved.

BE IT FURTHER RESOLVED that the Board requests that pursuant to the Los Angeles City Charter Section 674, the Los Angeles City Council (City Council) approve by ordinance the Cost Sharing Agreement, and authorize the Board to act on and approve all future amendments to the Cost Sharing Agreement, without further approval by the City Council; provided that such amendment does not increase the cost of the agreement.

BE IT FURTHER RESOLVED that LADWP and DWR propose to relicense the SSWP and the Co-licensees do not intend to change the current operation of the SSWP.

BE IT FURTHER RESOLVED that as part of the relicensing process FERC requires the Co-licensees to continue paying for the annual FERC license charges, in addition to any new PM&E measures, and any other requirements that may be imposed by Conditioning Agencies, if and when the New FERC License P-2426 is issued.

BE IT FURTHER RESOLVED that approval of any new PM&E measures identified by FERC and any other Conditioning Agency requirements is subject to LADWP's and DWR's future acceptance of the New FERC License P-2426.

BE IT FURTHER RESOLVED that the Cost Sharing Agreement demonstrates that LADWP and DWR are committed to share costs associated with the implementation of new PM&E and Conditioning Agency requirements, if and when the New FERC License P-2426 is issued. In addition, the Co-Licensees' will continue to pay their respective power plant's annual FERC license charges under the New FERC License P-2426.

BE IT FURTHER RESOLVED the Cost Sharing Agreement does not constitute approval of a project pursuant to the California Environmental Quality Act (CEQA) because LADWP and DWR have not and will not commit to any PM&E measures that may be required by FERC and any other requirements that may be imposed by Conditioning Agencies under the New FERC License P-2426 until after (i) such PM&Es or other requirements are reviewed in accordance with the requirements of CEQA, (ii) any additional conditions, changes, or alternatives have been identified and, where applicable, imposed pursuant to CEQA, and (iii) all required permits and approvals have been obtained in accordance with applicable laws and regulations.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board be and are hereby authorized and directed to execute the Cost Sharing Agreement for and on behalf of LADWP upon approval by the City Council by ordinance pursuant to Section 674 of the Charter of the City of Los Angeles.

BE IT FURTHER RESOLVED that the Chief Accounting Employee, under proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under this resolution.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power commissioners of the City of Los Angeles at its meeting held on

Shanti L. Mitchell

Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

MARCH 31, 2022

BY *Syndi Driscoll*
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY