023 076



BOARD LETTER APPROVAL

BRIAN J. WILBUR Interim Senior Assistant General Manager – Power System Engineering, Planning, and Technical Services

RESOLUTION NO.

MARTIN L. ADAMS General Manager and Chief Engineer

DATE: August 17, 2022

SUBJECT: Open Access Transmission Tariff Form of Service Agreement for Firm Point-To-Point Transmission Service, DWP No. BP 21-010, Glendale Water and Power and the Los Angeles Department of Water and Power

SUMMARY

Glendale Water and Power (GWP) is a joint participant, along with Los Angeles Department of Water and Power (LADWP), in the Eland Solar and Storage Project Center, Phase 1 and have executed a Power Sales Agreement (PSA) with the Southern California Public Power Authority (SCPPA). Through the PSA with SCPPA, GWP will receive 25 megawatts (MW) from Eland 1 for a term of 25 years. The proposed Open Access Transmission Tariff Form of Service Agreement (Agreement) for Firm Point-To-Point Transmission Service, DWP No. BP 21-010, between GWP and LADWP is for a transmission capacity of 25 MW over a term of twenty-five years from January 1, 2023 to January 1, 2048 from LA System (LASYS) to Airway Station (AIRWAY).

City Council approval by ordinance is required per Charter Section 674.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) approve the attached Resolution approved as to form and legality by the City Attorney, subject to further approval by the City Council by ordinance.

ALTERNATIVES CONSIDERED

Alternatives are not applicable. LADWP voluntarily provides open access transmission and interconnection services on a comparable, non-discriminatory and non-preferential basis to all qualified transmission and interconnection service customers. GWP is a qualified transmission service customer who submitted a transmission service request pursuant to LADWP's Open Access Transmission Tariff (OATT) procedures. LADWP is capable of providing the requested transmission service.

FINANCIAL INFORMATION

Pursuant to LADWP's current OATT rates, the Agreement would generate revenue of approximately \$1,092,713 annually, and a total of approximately \$27.3 million over the 25-year term.

BACKGROUND

LADWP's OATT was approved by the City Council on March 12, 2002, and was subsequently amended several times to update the rates, terms and conditions, and procedures for open access transmission service and ancillary services on the LADWP Transmission System for all Eligible Customers on an open access and not unduly discriminatory or preferential basis. All subsequent amendments were approved by the City Council.

GWP is a joint participant, along with LADWP, in the Eland Solar and Storage Project Center, Phase 1 and has executed a Power Sales Agreement (PSA) with SCPPA. Through the PSA with SCPPA, GWP will receive 25 MW from Eland 1 for a term of 25 years.

In order to deliver the Eland generation to GWP's tie-point at Airway Receiving Station, GWP is requesting Firm Point-To-Point Transmission Service pursuant to LADWP's OATT. Pursuant to LADWP's OATT, GWP requested transmission services to deliver 25 MW of Eland1 Solar and Battery Energy Storage System project generation from Barren Ridge Switching Station, also referred as LASYS to AIRWAY. GWP has satisfied the requirements of the Governmental Person Use Certification and of Section 5.2 of the OATT, as such LADWP is able to provide GWP with transmission service for a term of 25 years without jeopardizing LADWP's tax-exempt municipal bonds.

LADWP has reviewed the transmission service request and confirmed that LADWP is capable of providing this service to GWP.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on July 27, 2022.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Therefore, the entering into agreements for Firm Point-to-Point Transmission Service is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Agreement
- Draft Ordinance
- CAO Report