


TRANSMITTAL		0150-03656-0102
TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 07/27/2022	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All
<p style="text-align: center;">OPEN ACCESS TRANSMISSION TARIFF FORM OF SERVICE AGREEMENT FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND GLENDALE WATER AND POWER (BP 21-010)</p> <p style="text-align: center;">Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.</p> <p style="text-align: center;">  MAYOR (Mary Hodge for) </p> <p>MWS:IR:10230001</p>		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 19, 2022

CAO File No. 0150-03656-0102

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 April 8, 2022,
Referred by Mayor's Office on April 19, 2022.

Subject: **OPEN ACCESS TRANSMISSION TARIFF FORM OF SERVICE AGREEMENT FOR
FIRM POINT-TO-POINT TRANSMISSION SERVICE BETWEEN LOS ANGELES
DEPARTMENT OF WATER AND POWER AND GLENDALE (Agreement No. BP
21-010)**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution and Ordinance authorizing a Form of Service Agreement for Firm Point-to-Point Transmission Service between the Los Angeles Department of Water and Power (LADWP) and Glendale Water and Power(GWP) for the delivery of 25 Megawatts (MW) of long term point-to-point transmission service for a term of 25 years, starting on January 1, 2023 to January 1, 2048;
2. Return the proposed Resolution and Ordinance 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 Ordinance authorizing a Firm Point-to-Point Transmission Service Agreement with GWP for the delivery of 25 MW transmission service from January 1, 2023 to January 1, 2048, for a total term of 25 years. GWP is a qualified transmission service customer who has submitted a service request pursuant to the Open Access Transmission Tariff (OATT) policy and procedures, which authorize LADWP to sell surplus capacity. Approval of this Agreement will generate \$1,092,713 in additional revenue annually, and \$27.3 million over the 25 year term.

The City Attorney has approved the Resolution, Ordinance and Agreement as to form and legality.

Background

In 2019, the City Council authorized the Eland Solar and Storage Project Center, Phase One (C.F. 19-1081) and Phase Two, along with various agreements, including a Power Sales Agreement (PSA), Power Purchase Agreement (PPA), and an Agency Agreement. Under the PSA, GWP is a joint participant and will receive 25 MW from Eland Phase One for a term of 25 years. In order to deliver the Eland generation to GWP's Airway Receiving Station, GWP is now requesting transmission services through the Firm Point-to-Point Transmission Service Agreement pursuant to LADWP's OATT.

LADWP reports that GWP has satisfied the requirements of Section 5.2, Government Person Use Certificate of the OATT, as GWP is a municipal customer. As such, LADWP is able to provide GWP with transmission service for a term of 25 years without jeopardizing LADWP's tax-exempt status of any municipal bonds used to finance the facilities.

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

FISCAL IMPACT STATEMENT

There is no General Fund impact. Approval of the proposed Resolution and Ordinance authorize a 25 year OATT Form of Service Agreement with GWP, and \$27.3 million in anticipated revenue for the Power Revenue Fund over the term. The proposed Agreement complies with the LADWP Financial Policies.

MWS:IR:10230001

Attachments