


BOARD LETTER APPROVAL


David Hanson (Aug 28, 2025 13:44:05 PDT)

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Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: August 28, 2025

SUBJECT: General Manager's Certificates and Supplemental Certificates
Recommending Approval of Los Angeles Department of Water and
Power's Open Access Transmission Tariff Amendment No. 5 and
Amendment No. 6, DWP No. BP 01-017

SUMMARY

Approval is requested for the General Manager's (GM's) Certificate and Supplemental Certificate recommending approval of Amendment No. 5 (GMC No. 5) to the Los Angeles Department of Water and Power's (LADWP) Open Access Transmission Tariff (OATT) (Amendment No. 5) and GM's Certificate and Supplemental Certificate recommending approval of Amendment No. 6 (GMC No. 6) to LADWP's OATT (Amendment No. 6).

Amendment No. 5 to the OATT shall: (1) revise the non-rate terms and conditions for the provisioning of transmission and ancillary services; (2) incorporate a small generator interconnection procedure; (3) convert the processing of interconnection requests from a serial process, i.e. on a "first come, first served" basis, to a "first ready, first served" basis; (4) allow for clustering of system impact studies in the interconnection process, and (5) other ministerial changes, for consistency with the current effective Federal Energy Regulatory Commission (FERC) *pro forma* OATT.

Amendment No. 6 to the OATT shall revise Attachment C, Methodology to Assess Available Transfer Capability, to align with FERC Order 902, removing references to Modeling, Data, Analysis, specifically Standard 29 (MOD 29), A North American Electric Reliability Corporation (NERC) Reliability Standard, and replacing it with the North American Energy Standard Board (NAESB) Standard, specifically the Wholesale Energy Quadrant 23 (WEQ-023).

Amendment No. 5 and Amendment No. 6, collectively, hereinafter “Amendments,” are recommended for approval following the conclusion of their respective stakeholder processes in accordance with LADWP’s business practice for Tariff Change Procedures (Public Stakeholder Process Business Practice).

City Council approval is required, by Ordinance, pursuant to the Los Angeles Charter Section 674 and the Los Angeles Administrative Code Section 23.134.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council’s approval of the following:

- GMC No. 5 and GMC No. 6 for the approval of the Amendments as required per Los Angeles Administrative Code Section 23.134. As amended, the OATT will remain effective until it is rescinded, or a new amendment is approved by the Board and the City Council;
- An amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager of LADWP the authority to enter into any transmission service agreements: (1) which does not exceed three years in duration; (2) which is two years in duration and will automatically renew for an additional term of two years, unless such option is terminated by either party, provided that in the reasonable but exclusive determination of LADWP, such service does not jeopardize the tax-exempt status of any municipal bond(s) used to finance LADWP’s facilities that would be used in providing such transmission service, or (3) which the duration is beyond three years pursuant to an executed Governmental Person Certificate, where the terms and conditions, and charges are pursuant to the OATT; and
- An ordinance providing the Board with independent authority to enter into generator interconnection agreements of electric generating facilities to the LADWP Transmission System where such interconnection agreements are substantially in the form of the standard Large Generator Interconnection Agreement (LGIA) for generating facilities having a capacity greater than 20 megawatts (MW) or the standard Small Generator Interconnection Agreement (SGIA) for generating facilities having a capacity of 20 MW or less, provided that such agreements have a minimum term of ten years and shall automatically renew for successive one-year periods, unless it is terminated earlier pursuant to the terms of the LGIA or SGIA, respectively, or the generating facility permanently ceases commercial operation, subject to the applicable tariff, terms, conditions and charges of the OATT.

ALTERNATIVES CONSIDERED

Alternatives were considered and are not feasible. As a municipal utility, LADWP’s wholesale sales, and provisioning of transmission in interstate commerce, is generally not subject to the jurisdiction of FERC. However, LADWP is required to provide open

access transmission and interconnection service on a comparable, not unduly discriminatory, or preferential basis to all eligible transmission and interconnection customers, including LADWP when taking service under LADWP's OATT. The Amendments will enable LADWP to continue providing non-discriminatory open access transmission and interconnection services on LADWP's transmission system, allow LADWP to continue generating revenue from the sale of available transmission capacity in excess of native load needs on its system, and allow LADWP to more efficiently process and study interconnection requests.

FINANCIAL INFORMATION

LADWP uses an Open Access Same-Time Information System (OASIS), through an internet site accessible to all eligible transmission customers. OASIS enables transmission customers to communicate requests and responses to buy available transmission capacity offered under the LADWP's OATT. Revenue is generated from transmission sales made using LADWP's OASIS.

For generation interconnection requests under the OATT, interconnection customers are responsible and shall reimburse LADWP for all the associated costs for their interconnections. Interconnection customers shall also be responsible for a pro rata share of the annual operation and maintenance cost of the facility to which they are interconnected to.

BACKGROUND

As a municipal utility, LADWP is responsible for establishing its own electric transmission rates and non-rate terms and conditions of service. Nonetheless, the Federal Power Act requires that third-party customers be charged rates that are comparable to the rates LADWP charges itself, and that non-rate terms and conditions of service are applied to third parties in a manner that is not unduly discriminatory or preferential.

LADWP is a Load Serving Entity that owns and operates its transmission system, dispatches its generation resources, and makes long-term power supply arrangements to meet its native load service obligations. To the extent there is transmission capacity available in excess of native load needs, the finite amount of available capacity on a given transmission line in any single hour, day, week, month, and year, may be made available to all eligible transmission customers through LADWP's OATT. Eligible transmission customers may purchase such available transmission capacity in accordance with the terms and conditions of the OATT, as it may be amended from time to time. Additionally, LADWP's OATT offers to its customers the ability to interconnect their generating resources to LADWP's transmission system. Interconnection service is separate and apart from transmission service.

LADWP's OATT provides the following types of transmission service, along with any necessary ancillary services to support it:

- Firm Point-To-Point Transmission Service – transmission service that is reserved and/or scheduled between specified Points of Receipt(s) and Point(s) of Delivery at voltage level greater than 100-kilovolts (kV). The minimum term is one hour and the maximum term is specified in the Service Agreement (Schedule 7).
- Non-Firm Point-To-Point Transmission Service – transmission service at voltage level greater than 100-kV that is reserved and/or scheduled on an as-available basis and is subject to curtailment and interruption. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month (Schedule 8).
- Network Integrated Transmission Service (NITS) – transmission service that allows a Network Customer to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the LADWP's Control Area and any additional load that may be designated in accordance with the OATT (NITS).

LADWP has adopted transmission business practices for the development of tariff changes. Amendments to the OATT must be in accordance with the LADWP Stakeholder Process Business Practice. As part of the process, prior to the amendment of the OATT, the Stakeholder Process Business Practice requires that the GM makes the recommendation for approval to the Board and City Council. Recently, the title of the GM of LADWP has been changed to Chief Executive Officer and Chief Engineer. For the purposes of the Stakeholder Process Business Practice, other than the title change, the roles and responsibilities of the Chief Executive Officer and Chief Engineer remain the same as that of the GM, including the decision-making authority for the OATT Amendments.

OATT Amendment No. 5

On April 1, 2022, consistent with LADWP's Stakeholder Process Business Practice, LADWP commenced a public stakeholder process regarding proposed amendments to the wholesale-transmission rates and non-rate terms of LADWP's OATT. At the conclusion of the stakeholder process, considering some of the issues raised by stakeholders, the GM decided to withdraw the OATT Amendment No. 5 component relating to the transmission and ancillary service rates. The GM's decision to withdraw the rate component of Amendment No. 5 is detailed in the Supplemental GM Certificate for OATT Amendment No. 5.

Furthermore, LADWP will move forward with Amendment No. 5 to: (1) revise the existing non-rate terms and conditions relating to the provisioning of transmission and ancillary services; (2) incorporate small generator interconnection procedures; (3) change the interconnection process from "first come, first served" to "first ready, first served" basis; (4) convert a serial interconnection process into cluster interconnection

process for system impact studies, and (5) update other ministerial changes for consistency with the current effective FERC *pro forma* OATT.

The revised non-rate terms and conditions are summarized as follows:

- **Definitions:** The specific defined terms that were modified, to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a 201(f) entity under the Federal Power Act (FPA).
- **Section 17.7:** Consistent with FERC *pro forma* OATT, amend to allow for up-to five 1-year extensions for commencement of service.
- **Parts II and III:** The specific portions of Parts II and III were modified, to move towards language utilized by FERC in the *pro forma* OATT except where necessary to recognize LADWP's status as a 201(f) entity under the FPA.
- **Attachment A-2:** Clarifying edit to a definition. Added Attachment A-2 to the table of contents.
- **Changes to Attachment D – Methodology for Completing a System Impact Study and Form of Agreement:** Within the methodology for completing a system impact study, LADWP updated the factors in determining capacity availability on the transmission system. Within the form of Agreement, LADWP amended Section 3.5 “Estimated Time” for completing the system impact study, Section 5.5 “Force Majeure” and Section 5.6 “Assignment” to be consistent with the FERC *pro forma* provisions.
- **Changes to Attachment M – Large Generator Interconnection Procedures:** Large generator interconnection procedures were amended to incorporate changes addressed in FERC Order No. 845 and replace the serial approach for conducting interconnection studies with a “first-ready, first served” cluster study process.
- **Add new Attachment N – Small Generator Interconnection Procedures:** Add a new Attachment N providing small generator interconnection procedures that utilize a “first-ready, first served” interconnection cluster study process.
- **Changes to Attachment O – Energy Imbalance Market:** Attachment O was amended to correct a charge code reference in Section 8.5.6 “Flexible Ramping Product,” add charge code suballocations to Section 8.5.8 “Other EIM Settlement Provisions,” remove a suballocation reference in Section 8.8 “Variable Energy Resource Forecast Charge,” and to correct references to terms.
- **Add new Attachment P – Transmission Line Ratings:** Add a new Attachment P incorporating ambient-adjusted ratings, emergency ratings, and seasonal rating for the transmission lines over which LADWP provides transmission service as addressed in FERC Order No. 881, and to provide for

a database of the transmission line ratings and transmission line rating methodologies to be maintained on LADWP's OASIS site or other password-protected website.

OATT Amendment No. 6

On December 28, 2023, LADWP commenced a public stakeholder process to consider proposed revisions to the OATT to comport with FERC Order No. 902, issued on October 26, 2023. Effective February 1, 2024, Order No. 902 retired NERC Reliability Standard MOD A and replaced it with the NAESB Standard WEQ-023. The proposed revisions to the LADWP OATT revise Attachment C to remove references to NERC Reliability Standard MOD A and replace them with NAESB Standard WEQ-023 in Sections 1,2,3,4, and 5 of Attachment C.

The GM recommends that the proposed OATT Amendments become effective on the first day of the month, following the effective date of the ordinance approved by City Council.

The attached tariff revisions were developed following the process set forth in the Public Stakeholder Process Business Practice for both a "Major Tariff Change" and a "Minor Tariff Change". Attached are GMC No. 5 and GMC No. 6, which includes summaries of the respective stakeholder processes and schedules followed by LADWP. LADWP's stakeholder process complies with the Public Stakeholder Process Business Practice.

The GMC No. 5 and GMC No. 6 along with its attachments and the proposed Amendments are provided as part of this Board Letter for consideration by the Board and City Council. Notwithstanding, documents filed in the public stakeholder process are available on LADWP's OASIS website at:

For Amendment No. 5 -- <http://www.oasis.oati.com/ldwp/index.html> in the folder **DWP Notices\LADWP 2022 OATT Stakeholder Process**.

For Amendment No. 6 -- <http://www.oasis.oati.com/ldwp/index.html> in the folder **DWP Notices\LADWP 2024 OATT Stakeholder Process**.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 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)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the amendment to an agreement to change terms of the agreement is not subject to CEQA.

City Administrative Officer Report

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on April 9, 2025.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- GMC No. 5, OATT Amendment No. 5, including Attachments A-E and all relevant documents in support of Amendment No. 5
- GMC No. 6, OATT Amendment No. 6, including Attachments A-D and all relevant documents in support of Amendment No. 6
- Ordinance
- CAO Report (includes Attachment M)