

Office of the Los Angeles City Attorney  
Hydee Feldstein Soto

REPORT NO. R25-0491  
OCT. 07 2025

**REPORT RE:**

**DRAFT ORDINANCE AMENDING SECTION 23.133 OF ARTICLE 3, CHAPTER 7, DIVISION 23 OF THE LOS ANGELES ADMINISTRATIVE CODE APPROVING THE LOS ANGELES DEPARTMENT OF WATER AND POWER'S OPEN ACCESS TRANSMISSION TARIFF AND PROVIDING THE BOARD OF WATER AND POWER COMMISSIONERS THE AUTHORITY TO ENTER INTO AGREEMENTS FOR INTERCONNECTING LARGE AND SMALL ELECTRIC GENERATING FACILITIES TO THE LOS ANGELES DEPARTMENT OF WATER AND POWER'S TRANSMISSION SYSTEM**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 14-0738-S1

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance: (1) amends Section 23.133 of Article 3, Chapter 7, Division 23 of the Los Angeles Administrative Code (LAAC) to allow the General Manager of the Los Angeles Department of Water and Power (LADWP) to execute transmission service agreements with the following durations: (i) a term not to exceed three years; (ii) a term of two years with an automatic renewal option for an additional term of two years, unless such option is terminated by either party to the agreement, provided that in the reasonable and exclusive determination of LADWP, such service does not jeopardize the tax-exempt status of any municipal bond(s) used to finance LADWP's facilities; and (iii) a term greater than three years pursuant to an executed Governmental Person Use Certificate,

in each case where the terms, conditions, and charges are pursuant to a transmission service tariff approved by the City Council; (2) approves the amendments to LADWP's Open Access Transmission Tariff, DWP No. BP 01-017 (OATT); and (3) provides the Board of Water and Power Commissioners (Board) authority to enter into agreements for interconnecting large and small electric generating facilities to LADWP's transmission system, subject to the limitations set forth in the draft ordinance.

### Background

LADWP owns and operates its transmission system, dispatches its generation resources, and makes long-term power sale arrangements to meet its native load service obligations. To the extent there is transmission capacity available in excess of native load needs, the amount of available capacity may be made available to eligible transmission customers through its OATT. The OATT allows LADWP to generate revenue from the use of available transmission capacity on its system.

On March 13, 2002, the City Council approved the existing OATT, which has since been amended from time to time. LAAC Section 23.133 currently allows the General Manager to execute transmission service agreements that do not exceed three years pursuant to the OATT.

The draft ordinance amends LAAC Section 23.133 to allow the General Manager to also execute transmission service agreements that have: (1) a two-year term, with an automatic renewal option for an additional term of two years, provided that LADWP has the sole discretion to determine that such service does not jeopardize the tax-exempt status of any municipal bond(s); and (2) a term greater than three years pursuant to an executed Governmental Person Use Certificate; and updates the standard terms and conditions for open access transmission service to conform to the City Charter and operational requirements, as well as obligations pursuant to the North American Reliability Corporation and Western Electric Coordinating Council. The amended OATT includes standard procedures and standard agreements for the interconnecting of new electric generating facilities both with capacity greater than 20 megawatts and with capacity of 20 megawatts or less, to the transmission grid owned, controlled and operated by LADWP.

Although LADWP is a municipal utility that is not generally subject to Federal Energy Regulatory Commission jurisdiction over LADWP rates for wholesale sales or over rates for transmission service in interstate commerce, LADWP voluntarily provides open access transmission and interconnection services on a comparable and non-discriminatory basis to all qualified transmission and interconnection service customers.

### Charter Enabling Provisions

Charter Section 674(a)(1) provides that, subject to approval by ordinance, the Board has the power to approve contracts with the United States, or any of its agencies, any state or any state agency, and any corporation, public or private, located inside or outside of the City or State of California for the construction, ownership, operation, and maintenance of facilities for the generation, transformation, and transmission of electric energy that provides for a sharing of the use and benefits and of the capital charges and other obligations associated with the facilities. Charter Section 604(c) provides that the Board may delegate to the General Manager authority to contract on behalf of LADWP where the contract does not involve payment or receipt of money or consideration reasonably valued in excess of a monetary limit provided by ordinance.

Pursuant to LAAC Section 23.134, the Board has the authority to establish and set tariffs, terms, conditions, and charges which relate to transmission services, subject to approval by a simple majority vote of the City Council.

### CEQA Findings

The City Council may determine that LADWP's amendments to the OATT is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 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 the terms of the agreement is not subject to CEQA.

Council Rule 38 Referral


Pursuant to Council Rule 38, the draft ordinance has been presented to the Board of Water and Power Commissioners. The Board by resolution is requesting the City Council to adopt said ordinance.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213) 367-4363. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



MICHAEL J. DUNDAS  
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MJD:VM:rb  
Transmittal