

WHEREAS, the Los Angeles Department of Water and Power (LADWP) provides water and power services to over four million people in the City of Los Angeles (City); and

WHEREAS, LADWP's Renewable Portfolio Standard Policy (RPS) and Enforcement Program (RPS Policy) represents the continued commitment by LADWP to renewable energy resources, including compliance targets for LADWP to supply 33 percent of its retail energy from eligible renewable energy sources by 2020 in accordance with the California Renewable Energy Resources Act (SB 2-1X), 44 percent by December 31, 2024, 52 percent by December 31, 2027, and 60 percent by 2030 in accordance with Senate Bill 100 (SB 100); and

WHEREAS, SB 100 further establishes a 2045 goal to have an electric grid that is entirely powered by zero carbon energy; and

WHEREAS, the strategies in LADWP's Strategic Long Term Resource Plan (SLTRP) include regulatory requirements, policy objectives, and increases in eligible renewable energy resources, while maintaining service reliability, using existing assets near eligible renewable energy resources and minimizing the financial impact on ratepayers; and

WHEREAS, the Board approved the SCPPA Phase II Renewable Development Agreement, LADWP No. 12-020 under Resolution No. 013-049, which authorized LADWP to participate with other members of SCPPA for the purpose of planning, exploring, investigating, developing new renewable resources through the year 2020; and

WHEREAS, SCPPA, pursuant to the needs of its members, under Phase II Renewable Development Agreement, issued a Request for Proposal (RFP), a competitive process, for the purchase and/or acquisition of eligible renewable energy resources; and

WHEREAS, SCPPA received over 100 responses to its 2018 RFP, which included the Red Cloud Wind Project (Red Cloud), proposing the sale of 331 megawatts (MW) of renewable wind energy and environmental attributes to be developed and constructed approximately 85 miles southeast of Albuquerque, New Mexico; and

WHEREAS, Red Cloud is owned by Pattern SC Holdings LLC; and

WHEREAS, Red Cloud was selected to provide renewable energy from a wind generating facility for the benefit of LADWP; and

WHEREAS, SCPPA and Pattern SC Holdings LLC plan to enter into a Power Purchase Agreement (PPA) for SCPPA to purchase all of the energy, environmental attributes, and capacity rights produced from the 331 MW wind project for a 20-year term and

which term can be extended with two additional periods of years that must be mutually agreed to by both SCPPA and Pattern; and

WHEREAS, Red Cloud Wind Project Power Sales Agreement (PSA) No. BP 20-001 sets forth mutual covenants and agreements between LADWP and SCPPA for LADWP's acquisition of 331 MW wind energy output, associated environmental attributes, and generating capacity rights as produced by Red Cloud; and

WHEREAS, Red Cloud Wind Project Agency Agreement (AA) No. BP 20-002 provides for the designation of LADWP as the project manager to administer and manage Red Cloud on behalf and for the benefit of LADWP, and sets forth mutual covenants and agreements between SCPPA and LADWP in order to enable LADWP to carry out activities necessary for the planning, development, acquisition, maintenance, improvement, administration, and operation of Red Cloud; and

WHEREAS, the Red Cloud PPA provides SCPPA an option to purchase Red Cloud twenty-four months prior but no later than eighteen months before the thirteenth year anniversary of the Commercial Operation Date or the end of the term of the PPA; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), it has been determined that the entering into a power sale agreement and agency agreement with SCPPA to purchase renewable wind power is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3) and General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that PSA No. BP 20-001 and AA No. BP 20-002 by and between LADWP and SCPPA, now on file with the Secretary of the Board and 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 the City Council approve by ordinance PSA No. BP 20-001 and AA No. BP 20-002 and authorize the Board to act on all future amendments to these agreements.

BE IT FURTHER RESOLVED that Red Cloud is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3).

BE IT FURTHER RESOLVED that the Board authorizes the General Manager or his/her designee to review and act on all material matters to be decided by LADWP pursuant to the PSA No. BP 20-001 and AA No. BP 20-002, provided however, any authorization to extend the term of the PPA or execute any Purchase Option shall require approval of the Board.

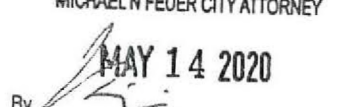
BE IT FURTHER RESOLVED that the energy and environmental attributes acquired from PSA No. BP 20-001 and PSA No. BP 20-002 shall be credited towards LADWP's Renewable Portfolio Standard Policy.

BE IT FURTHER RESOLVED that the President or the Vice President of this Board, or 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, are hereby authorized and directed to execute PSA No. BP 20-001 and AA No. BP 20-002 for and on behalf of LADWP, upon approval by the City Council by ordinance pursuant to Sections 101 and 674 of the Los Angeles City Charter.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP upon proper certification is authorized and directed to draw demands on the Power Revenue Fund, over the term of the PSA No. BP 20-001 and AA No. BP 20-002, in payment of the obligations incurred by such agreements.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **SEP 22 2020**


Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N FEUER CITY ATTORNEY

MAY 14 2020
By _____
VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY

