

EXEMPTION, ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT, and ORDINANCE FIRST CONSIDERATION relative to Power Sale Agreement No. BP 20-001 and Agency Agreement No. BP 20-002 (Agreements) between the Los Angeles Department of Water and Power (LADWP) and Southern California Public Power Authority (SCPPA) for the Clean Grid LA - Red Cloud Wind Project (Project).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that in accordance with the California Environmental Quality Act (CEQA), it has been determined that the Agreements for the Project are exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3).
2. CONCUR with the Board of Water and Power Commissioners' (Board) action of September 22, 2020, Resolution No. 021 044, approving and authorizing the LADWP to execute the Red Cloud Wind Power Sale Agreement No. BP 20-001 for the purchase of renewable energy, environmental attributes, and capacity; and Red Cloud Wind Agency Agreement No. BP 20-002 for project management, between the LADWP and SCPPA, for a 20-year term with two additional five-year options to extend; and, authorizing the Board and General Manager, LADWP, or designee, to review and act on all matters relative to implementation of said Agreements, excluding contract extensions or the execution of any purchase options.
3. PRESENT and ADOPT the accompanying ORDINANCE, dated October 7, 2020, approving the Red Cloud Wind Power Sale Agreement No. BP 20-001 and Red Cloud Wind Agency Agreement No. BP 20-002, by and between the City of Los Angeles, acting by and through the LADWP, and the SCPPA, a non-profit joint agency; and, delegating authority to the Board to amend said Agreements.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. Approval of the Resolution authorizes expenditures up to \$57.30 million per year for the Red Cloud Wind Project, for a total of \$1.14 billion over a 20-year term from the Power Revenue Fund. This expenditure represents the maximum annual amount to be expended should the Project not qualify for the 100 percent Federal tax credit. This fiscal impact does not assume any contract extension or the cost to purchase the wind facility.

Financial Policies Statement: The CAO reports that the recommended actions comply with the LADWP's Financial Policies.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on October 20, 2020, the Energy, Climate Change, and Environmental Justice Committee considered the Board, CAO, and City Attorney reports, Resolution No. 021 044, and Ordinance relative to authorizing the LADWP to execute the Red Cloud Wind Power Sale Agreement No. BP 20-001 for the purchase of renewable wind energy, environmental attributes, and capacity; and Red Cloud Wind Agency Agreement No. BP 20-002

that designates the LADWP as the project manager, between the LADWP and SCPPA, for a 20-year term with two additional five-year extension options. The Project will generate up to 331 megawatts of wind energy to increase the LADWP's energy portfolio in response to environmental challenges, regulatory compliance, and reliability needs. The LADWP presented an overview of the Project, the Project's impact to the environment, milestone dates, and the Project's contribution to the LADWP's Renewable Portfolio Standard goals.

After providing an opportunity for public comment, the Committee moved to approve the recommendations contained in the Board, CAO, and City Attorney reports, Resolution No. 021 044, and Ordinance, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
KORETZ:	YES
KREKORIAN:	YES
CEDILLO:	YES
O'FARRELL:	YES



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-NOT OFFICIAL UNTIL COUNCIL ACTS-