Office of the Los Angeles City Attorney
Hydee Feldstein Soto

**REPORT NO. R26-0420**
**JULY 22 2026**

**REPORT RE:**

**DRAFT ORDINANCE APPROVING THE NOTCH PEAK PROJECT POWER SALES AGREEMENT, NO. BP 26-011, AND THE NOTCH PEAK PROJECT AGENCY AGREEMENT, NO. BP 26-012, BY AND BETWEEN THE CITY OF LOS ANGELES, ACTING BY AND THROUGH ITS DEPARTMENT OF WATER AND POWER, AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

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. 26-1009**

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 provides for the approval of: (1) the Notch Peak Project Power Sales Agreement, No. BP 26-011 (PSA); and (2) the Notch Peak Project Agency Agreement, No. BP 26-012 (Agency Agreement), by and between the City of Los Angeles, acting by and through its Department of Water and Power (LADWP), and the Southern California Public Power Authority (SCPPA).

The PSA provides for LADWP's purchase of renewable solar energy that SCPPA acquires from Notch Peak Project (Project), owned by Longroad Energy Holdings, LLC (Longroad). The Project is located in Millard County, Utah. The Agency Agreement provides for LADWP to serve as SCPPA's agent in the administration of SCPPA's administrative duties relating to the Project. LADWP is the majority participant in the Project, along with the City of Glendale.

**Background**

As part of its Renewable Portfolio Standard (RPS), LADWP must meet a target to supply 52 percent of its retail energy sales from renewable energy sources by 2027, 60 percent by 2030, and be 100 percent carbon neutral by 2045. To assist in achieving its RPS requirements, on August 22, 2012, the LADWP Board of Water and Power Commissioners (Board) approved the SCPPA Phase II Renewable Development Agreement No. 12-020 under Resolution No. 013-049, which authorized LADWP to participate with other SCPPA members for the purpose of investigating potential new renewable resources. SCPPA issued two Requests for Proposals (RFPs), a competitive selection process, on February 14, 2025, and June 30, 2025, for the purchase and/or acquisition of renewable energy resources.

SCPPA received proposals from developers having the capability to provide renewable energy from various sources. Longroad responded to the RFP with a proposal for this Project. This Project was shortlisted by SCPPA based on key selection principles. Among other considerations, LADWP's selection of the Project was based on the Project price, transmission availability, and delivery into LADWP's balancing authority area. LADWP, Glendale, and SCPPA negotiated a Power Purchase Agreement (PPA) with Longroad, pursuant to which a special purpose entity, Notch Peak Project, LLC, will sell to SCPPA 324 megawatts (MWs) of renewable solar energy, capacity and associated environmental attributes from the Project for a total term of 30 years. LADWP's share of the output will be 299 MWs. The output from this Project will constitute almost 3.6 percent of LADWP's renewable energy sales to all customers.

The PPA also provides SCPPA with the option to purchase the Project on certain PPA anniversary dates. Pursuant to the PSA, LADWP's approval is required before a purchase option is exercised. Per the Board's Resolution, LADWP will need prior authorization from the Board prior to SCPPA exercising the purchase option.

Through the PSA, SCPPA sells to LADWP the renewable energy, environmental attributes, and generating capacity rights received from the Project, and passes through to LADWP the rights, benefits, and obligations provided under the PPA.

The Agency Agreement provides for the designation of LADWP as the Project Manager to administer and manage the Project on behalf of SCPPA and for the benefit of the Project participants. SCPPA maintains a very small staff to minimize administrative and general fees charged to the projects, and the largest participant of each project typically acts as SCPPA's agent for project management administration.

**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 674(a)(2) provides that, subject to approval by ordinance, the Board shall have the power to contract for the purchase of electric energy or electric generating capacity.

**CEQA Findings**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the agreements are exempt pursuant to CEQA Guidelines Section 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)(2) states that continuing administrative or maintenance activities do not meet that definition.

**Council Rule 38 Referral**

Pursuant to Council Rule 38, the draft ordinance has been presented to the Board of Water and Power Commissioners.

If you have any questions regarding this matter, please contact Deputy City Attorney Vaughn Minassian at (213) 367-5297. 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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Transmittal

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