WHEREAS, the California Air Resources Board (CARB), pursuant to California Assembly Bill (AB) 32 and the Governor's Executive Order S-01-07, established the Low Carbon Fuels Standard (LCFS) Regulation (Cal. Code Regs., tit. 17, § 95480 et seq.) to reduce the carbon intensity of transportation fuels (CI) used in California, thereby reducing greenhouse gas (GHG) emissions; and

WHEREAS, producers and importers of transportation fuels in California must demonstrate annual percentage reductions in CI until meeting a ten percent reduction by 2020 and twenty percent by 2030 from a 2010 baseline; and

WHEREAS, regulated entities can reduce their CI by procuring or generating LCFS credits, where LCFS credits may be generated by displacing the use of gasoline or diesel with fuels having a lower CI; and

WHEREAS, entities not otherwise regulated under the LCFS regulation may opt into the program to generate LCFS credits, which LADWP has done and has been generating LCFS credits through the charging of electric vehicles (EVs) using grid electricity and operating a fleet of compressed natural gas vehicles; and

WHEREAS, LADWP's Board of Water and Power Commissioners (Board), adopted an Environmental Credit and Renewable Energy Credit Policy in 2013, the Los Angeles City Council adopted an ordinance authorizing the Board and LADWP's General Manager to enter into contracts and financial transactions for environmental credits, including LCFS credits; and

WHEREAS, the LCFS regulation requires utilities, as opt-in regulated credit generators for residential EV charging, to, among other requirements, use credit proceeds to benefit current or future EV customers in California; and

WHEREAS, in 2018 CARB sought to create a statewide point-of-purchase rebate program including initiating a statewide electric utility-run point-of-purchase vehicle program, also known as the Clean Fuel Reward (CFR) Program funded with LCFS credit revenue; and

WHEREAS, LADWP, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company (SCE), and Sacramento Municipal Utility District (SMUD) (collectively, "Initial Participants") agreed to manage the CFR Program with initial contributions and a contract called a Governance Agreement; and

WHEREAS, this Board approved the Governance Agreement on January 28, 2020, via Board Resolution Number 020 127, authorizing LADWP to draw demands on LCFS proceeds from the Power Revenue Fund and transfer those funds to SCE as the initial Program Administrator for the CFR Program; and

WHEREAS, SCE, as Program Administrator, and CARB, requested LADWP to hold the LCFS funds for all participants in accordance with the Governance Agreement for added benefits to the CFR Program; and

WHEREAS this Board approved an amendment to the Governance Agreement on May 12, 2020 via Board Resolution Number 020 202, adding LADWP as the Designated Account Holder for the Program Funds Account and providing LADWP with expense reimbursements, as well as release and indemnity protections in connection therewith similar to those provided to SCE in its role as Program Administrator; and

WHEREAS, CARB amended the LCFS regulations on November 8, 2024, which took effect July 1, 2025, modifying the CFR Program to be a point of purchase rebate for medium/heavy duty electric vehicles as well as electric motorcycles and lowering contributions to the CFR Program (CARB Amendments); and

WHEREAS, the Governance Agreement needs to be amended to address the CARB Amendments and to ratify and extend LADWP's participation (Second Amendment) thru January 28, 2030.

NOW, THEREFORE, BE IT RESOLVED that the Second Amendment and underlying Governance Agreement, copies of which are on file with the Secretary of the Board, approved as to form and legality by the City Attorney, be and the same are hereby approved and ratified.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, after approval of the Second Amendment to the Governance Agreement, and upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund exclusively using proceeds from LCFS funds in accordance with the Governance Agreement, as amended, from time to time, including the Second Amendment to the Governance Agreement.

BE IT FURTHER RESOLVED that the President or Vice President, or the 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 the Second Amendment to the Governance Agreement for the CFR Program for and on behalf of LADWP upon approval and ratification by the City Council pursuant to City Charter Section 373.

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 Aug 25, 2026

Shantí L. Mitchell

Secretary

APPROVED AS TO FORM AND LEGALITY
HYDEE FELDSTEIN SOTO, CITY ATTORNEY
APRIL 22, 2026

BY

VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY