



City Council Agenda Item

City Council Meeting Date: April 5, 2022

TO: Dean Albro, City Manager

FROM: Charles J. Berry, Utility Director
c_berry@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6483(22) Approving, and Authorizing the City Manager or Designee to Execute all Documents Associated with, the Western Assignment Administration Agreement with Northern California Power Agency

Recommendation:

Staff recommends the City Council adopt Resolution No. 6483(22) (Attachment 1), which will approve, and authorize the City Manager or designee to execute, the Western Assignment Administration Agreement (Agreement) with Northern California Power Agency (NCPA).

Background:

At its regular meeting on April 6, 2021, the City Council authorized staff to execute a Base Resource Contract with the Western Area Power Administration (WAPA). Execution of that contract requires the City demonstrate to WAPA's satisfaction it has the ability to schedule and optimize these resources into the energy market. Executing the Agreement will delegate those responsibilities to NCPA to dutifully execute on City's behalf. (See Attachment 2.)

Discussion:

The City and WAPA are currently parties to the Base Resource Contract, which terminates on December 31, 2024 (Attachment 3). WAPA is willing to provide, and the City is interested in procuring, energy from the Central Valley Project Base Resource. As proposed, Council authorized execution of the successor contract, which goes into effect January 1, 2025, and conclude December 31, 2054 (Attachment 4). However, the City may choose to reduce its Base Resource percentage (0.31618) or terminate the contract, for any reason, through June 30, 2024, pursuant to Section 4.2 of the Agreement.

Further, requirements of the Agreement include a provision requiring scheduling coordination to provide hourly load and resource schedules to the balancing authority

area operator. As a founding member of NCPA, City will assign those responsibilities via the Agreement, along with its interest in the base resource to NCPA to operate and optimize on its behalf.

Fiscal Impact:

There is no direct impact to the City's General Fund. All costs for delegating responsibilities to NCPA will be borne by the Electric Utility Enterprise Fund. Costs are variable and defined within the appendices of the Agreement attached to the Resolution.

Conclusion:

The adoption of Resolution No. 6483(22) will authorize the City Manager or Designee to execute all necessary documents related to the Agreement.

Respectfully submitted,

Charles J. Berry, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Charles J. Berry, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

- Attachment: 1) Resolution No. 6483(22)
 2) Assignment Administration Agreement
 3) WAPA Contract 02366 BR Lompoc