County of Los Angeles
INTERNAL SERVICES DEPARTMENT
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Los Angeles, California 90063

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"To enrich lives through effective and caring service"

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

10 November 10, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

November 10, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

EXECUTE NEW/REPLACEMENT AGREEMENTS WITH THE LOS ANGELES DEPARTMENT OF WATER & POWER FOR THE COUNTY TO RECEIVE ADDITIONAL PAYMENTS AND BENEFITS FOR FIVE MORE YEARS BY OPERATION OF THE CIVIC CENTER COGENERATION PLANT (3 VOTES - ALL DISTRICTS)

SUBJECT

The County's Internal Services Department (ISD), as the Cogeneration Plant operator and administrator, seeks delegated authority to finalize, approve, and execute new/replacement agreements with the Los Angeles Department of Water & Power (LADWP) to continue receiving payments and benefits for five more years by operation of the Civic Center Cogeneration Plant.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Internal Services Department (ISD) or his designee to finalize, approve, and execute the following agreements, in a form identical or substantially similar to the attachments hereto:

    a. County of Los Angeles – Department of Water and Power Electrical Service Agreement (the "Rate Agreement" – Attachment 1);

    b. Agreement to Terminate LA Civic Center Parallel Generation Interconnection Agreement No. 10411 (the "Termination Agreement" – Attachment 2); and

    c. Standard Offer for Self-Generation Interconnection Agreements / County of

Los Angeles – LADWP Customer Generation Interconnection Agreement (the "Interconnection Agreement" – Attachment 3).

2. Delegate authority to the Director of ISD or his designee to approve and execute any time extensions, modifications, or amendments to the New Cogen Agreements, so long as such are cost neutral or beneficial to the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Civic Center Cogeneration Plant (Cogen Plant), located at 301 North Broadway in downtown Los Angeles, produces process steam used to provide heating and cooling for a variety of County-owned and other buildings in downtown Los Angeles (Hall of Administration, Hall of Records, Hall of Justice, Criminal Courthouse, Superior Courthouse, Music Center, Catholic Archdiocese, Law Library, Disney Concert Hall). As a by-product of this steam-building heating and cooling process, the Cogen Plant produces electricity that is delivered to the LADWP electric system.

Under an existing agreement executed by the County and LADWP thirty years ago, in December 1985, LADWP provides payments for electricity produced by the Cogen Plant and delivered to the LADWP electric system.

This current agreement expires on December 19, 2015. After that, the Cogen Plant would then automatically operate under a standard LADWP tariff governing cogeneration plants operations and production. Under that tariff, the County would receive less in payments for electricity produced. That represents a $4 million per year reduction in Cogen Plant revenues.

Execution of the new Rate Agreement and Interconnection Agreement (New Cogen Agreements) will provide the County an approximately $2.7 million in revenues and reduced operating costs over each of the next five years. These additional revenues and reduced operating costs will help offset the $4 million in reduced revenues due to expiration of the current agreement.

Implementation of Strategic Plan Goals

These actions support Goal 1, Operational Effectiveness, by ensuring the economically viable operation of the Civic Center Cogeneration Plant and Heating and Refrigeration Plant.

FISCAL IMPACT/FINANCING

The proposed New Cogen Agreements would provide the following:

- The County will pay a reduced amount for the use of the LADWP electricity system to deliver Cogen Plant electricity (when the plant is operating) and to receive LADWP electricity at the Cogeneration Plant (when it is not operating). This would reduce operating costs, as baselined by the current agreement, by about $1.3 million annually.

- The County will receive enhanced payments for operating the Cogen Plant while connected to the LADWP electrical system. These enhanced payments vary based on the Cogen Plant performance (i.e., percentage of time operational and amount of electricity delivered) and are estimated to be about $1.4 million in annual revenues for plant performance.

In the absence of new or replacement agreements, the County will be paid for electricity delivered into LADWP's electricity system based on their tariff, which is the standard payment schedule for all cogeneration plants on LADWP's system. This will result in a loss of $4 million in annual revenues. The New Cogen Agreements will provide an additional, combined $2.7 million in annual revenues and reduced operating expenses for the operation of the Cogen Plant over the next five years upon expiration of the existing agreement.

Once the New Cogen Agreements are approved by your Board and upon expiration of the current agreement, it is anticipated that the billings to the Civic Center facilities for Cogen Plant operating costs will increase by about $700 thousand this year and $1.3 million annually (the difference between $4 million revenue loss due to expiration of the existing agreement and $2.7 million in net annual benefits of the New Cogen Agreements). ISD will be budgeting the increase in the Fiscal Year 2016-17 Utilities Customer Income budgets that will be distributed in December 2015. ISD will also inform affected Departments on the estimated increase in billings for the current fiscal year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

ISD, as the Cogen Plant operator and administrator, has analyzed various scenarios for maintaining the financial viability of the Cogen Plant upon expiration of the existing agreement, which include retiring the Cogen Plant electrical generating systems and enhancing the steam-generating equipment to maintain current levels of heating and cooling services to nearby buildings. LADWP has indicated that the Cogen Plant is in a strategic location and supports the reliability of their electric system in downtown Los Angeles; and as such, there would be negative impacts to LADWP if the Cogen Plant electrical generating systems were retired.

As a result of several years of technical discussions and contract negotiations around the continued operation of the Cogen Plant, the parties have just recently reached consensus on terms and conditions for the proposed New Cogen Agreements which will reduce operating expenses by $1.3 million and increase revenues by $1.4 million per year. The negotiations for these New Cogen Agreements were formally initiated in 2012 and have been finalized in October of 2015.

The new Interconnection Agreement covers operation and maintenance of the Cogeneration Plant and has no impact on the Plant's operating budget or revenues. Details of the impacts to the Cogeneration Plant under the new Rate Agreement are described in the Fiscal Impact section of this letter.

ISD has been in consultation with County Counsel throughout the contract negotiations. County Counsel is prepared to approve the New Cogen Agreements as to form, in a form identical or substantially similar to the attachments hereto, prior to ISD exercising delegated authority to execute.

Upon execution by your Board and the Los Angeles City Council, the New Cogen Agreements will replace the current agreements and will expire by their terms on December 19, 2020.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact to current Cogeneration Plant services under this new Agreement. ISD will work with the CEO on review and implementation of options for future Cogeneration Plant operations and

services leading up to the expiration of these New Cogen Agreements in 5 years

CONCLUSION

The Executive Office of the Board of Supervisors is requested to return one stamped copy of the approved Board letter to the Director of ISD.

Respectfully submitted,

JIM JONES
Director

DC:JLG:HC:BR:sg

Enclosures

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel

Attachment 1

COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER

ELECTRIC SERVICE AGREEMENT

BETWEEN

COUNTY OF LOS ANGELES

AND

CITY OF LOS ANGELES ACTING BY AND THROUGH THE

DEPARTMENT OF WATER AND POWER

DWP No. RCS150021

COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER
ELECTRIC SERVICE AGREEMENT

TABLE OF CONTENTS

SECTION	TITLE	PAGE
1.	RECITALS	1
2.	AGREEMENT	3
3.	DEFINITIONS	4
4.	EFFECTIVE DATE AND TERM	7
5.	TERMINATION	7
6.	ELECTRIC SERVICE	9
7.	CONTRACT RATE	10
8.	MEASUREMENTS	13
9.	BILLING AND PAYMENTS	13
10.	ADMINISTRATION	14
11.	NOTICES	15
12.	UNDERSTANDING	16
13.	EFFECT OF SECTION HEADINGS	17
14.	GOVERNING LAW	17
15.	REPRESENTATION	17
16.	FORCE MAJEURE.	17
17.	NONDEDICATION OF FACILITIES.	18
18.	SEVERAL OBLIGATIONS	19
19.	EXECUTION IN COUNTERPARTS	19

EXHIBIT 1 - SERVICE ADDRESS(ES), ACCOUNT AND METER NUMBER(S)
EXHIBIT 2 – TERMINATION OF LA CIVIC CENTER PARALLEL GENERATION INTERCONNECTION AGREEMENT NO. 10411

COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER
ELECTRIC SERVICE AGREEMENT

This Agreement is made and entered into by and between County of Los Angeles, hereinafter referred to as "Customer" or "County", and the City of Los Angeles acting by and through the Department of Water and Power, hereinafter referred to as "Department". Each of the Department and Customer are hereinafter referred to individually as a "Party" and together as the "Parties".

1. RECITALS: This Agreement is made with reference to the following:

    1.1 Customer is currently receiving Electric Service in accordance with LA Civic Center Parallel Generation Interconnection Agreement No. 10411 and the applicable rate schedules, currently CG-3 and CG-3[i], Customer Generation Service, in the Electric Rate Ordinance.

    1.2 The Parties mutually agree that the existing LA Civic Center Parallel Generation Interconnection Agreement No. 10411 will be terminated and replaced with this Agreement and with a separate Customer Generation Interconnection Agreement entered into by and between Customer and the Department. Mutual agreement to terminate the existing LA Civic Center Parallel Generation Interconnection Agreement No.

10411 as of the Performance Date of those agreements is attached as Exhibit 2.

1.3 This Agreement is entered into in accordance with Section 676(b) of the Charter of the City of Los Angeles, establishing a rate for Customer's Electric Service that is essentially that for rate Schedules CG-3 and CG-3[i], Customer Generation Service, in the Electric Rate Ordinance with modifications specified in Sections 1.4 and 7.4 of this Agreement and when minimum Average Capacity Factor requirements are attained in accordance with Section 7.1 of this Agreement.

1.4 The Parties mutually agree that, for the term of this Agreement, the Facilities Charge, ESA, RCA, and IRCA shall be based upon the demand recorded for Department delivered energy as specified in Section 7.4 of this Agreement.

1.5 The Parties mutually agree that, upon termination of this Agreement, Customer will receive Electric Service in accordance with the applicable rate schedule(s), currently CG-3 and CG-3[i], Customer Generation Service, in the Electric Rate Ordinance, using the conditions for the Facilities Charge, ESA,

RCA, and IRCA specified in the Electric Rate Ordinance.

1.6 The Parties mutually agree that, pursuant to the Electric Rate Ordinance, the Department will purchase Excess Energy using the Standard Energy Credit and will no longer "wheel" or otherwise deliver energy produced by the Customer to County facilities.

1.7 Customer desires to receive and purchase Electric Service from the Department at the location identified in Exhibit 1 of this Agreement.

1.8 The Parties acknowledge and represent that, upon the Performance Date of this Agreement, each Party is current on its obligations to the other and is in good standing under existing LA Civic Center Parallel Generation Interconnection Agreement No. 10411.

1.9 The Parties have determined that it is mutually beneficial to enter into this Agreement.

2. AGREEMENT: In consideration of the foregoing Recitals, which are hereby incorporated herein, and of the mutual benefits, terms, and conditions contained herein, the Parties agree as follows:

2.1 Customer agrees to receive and purchase Electric Service from the Department pursuant to the terms and conditions of this Agreement.

2.2 The Department agrees to provide and sell Electric Service to Customer pursuant to the terms and conditions of this Agreement.

2.3 Customer and the Department shall bear their own costs incurred in the implementation of the Agreement in accordance with the terms and conditions of the Agreement.

3. DEFINITIONS: The definitions, terms, conditions and requirements provided in the rate established in Section 7 of this Agreement and the Rules are incorporated in and made a part of this Agreement by reference. Notwithstanding anything to the contrary, the following terms, when initially capitalized, whether in the singular or plural tense, shall mean:

3.1 Agreement: This COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER ELECTRIC SERVICE AGREEMENT.

3.2 Average Capacity Factor: For any Billing Period, the total High Peak and Low Peak Generation Facility output in kilowatt-hours ("kWh") delivered to the Department during the Billing Period excluding Qualifying Maintenance Event values divided by the

product of the highest of the Generation Facility energy production capacity of 17,000 kilowatt ("kW"), the recorded County exported High Peak demand, and the recorded County exported Low Peak demand, excluding Qualifying Maintenance Event values, as measured by the Department meter at the interchange point and the sum of the total number of High Peak and Low Peak hours in the Billing Period, excluding Qualifying Maintenance Event values, in the Billing Period. Average Capacity Factor shall be stated as a percentage rounded to one decimal place. It may also be expressed by the following formula:

$$\frac{\text{(total High Peak and Low Peak kWh delivered from the Generation Facility to the Department in the Billing Period)*}}{\text{(the highest of 17,000 kW, the recorded County exported High Peak demand, and the recorded County exported Low Peak demand)* x (total High Peak and Low Peak hours in the Billing Period)*}}$$

*Excluding Qualifying Maintenance Event values

3.3 Billing Period: The time interval between two consecutive reading dates of the Department's electric revenue meters used for billing purposes.

3.4 Electric Rate Ordinance: City of Los Angeles Ordinance No. 168436, effective on January 31, 1993, and all amendments, revisions, replacements, and

supplements thereof, including but not limited to City of Los Angeles Ordinance Nos. 182273 and 182288.

3.5 Facility: The location owned by Customer identified in Exhibit 1 of the Agreement.

3.6 Generation Facility: All of Customer's electric and mechanical equipment associated with the generation of electricity at the Customer's Facility installed as of the Performance Date of this Agreement with a typical Generation Facility energy production capacity of 17,000 kW.

3.7 Qualifying Maintenance Event: An event occurring outside 50% of the High Peak hours within each Billing Period for the Low Season months of October through May that affects the performance of the Generation Facility for any reason requiring an outage and/or maintenance to reestablish typical operations of the Generation Facility. Each Qualifying Maintenance Event shall be a discrete period, and the Department shall exclude all measured values of those periods from the determination of the Average Capacity Factor and Average Capacity Factor Credit for the just ended Billing Period.

3.8 Rules: The Rules Governing Water and Electric Service adopted by the Board of Water and Power Commissioners of the City of Los Angeles under Resolution No. 56 dated September 8, 1983, and all amendments, revisions, and replacements thereof.

4. EFFECTIVE DATE AND TERM: Upon execution by both Parties, this Agreement is effective as of December 1, 2015, provided, however, that no terms and conditions of this Agreement shall be applied until the "Performance Date," which is the first day of the Customer's first scheduled full billing cycle beginning on or after the Effective Date. Unless terminated in accordance with Section 5 of this Agreement, this Agreement expires on November 30, 2020.

5. TERMINATION:

5.1 This Agreement may be terminated at any time by mutual written agreement of the Parties.

5.2 Either Party may request to terminate this Agreement at any time prior to its term by giving at least thirty (30) calendar days' advance written notice of such intent.

5.3 This Agreement is not transferable or assignable, in whole or in part.

5.4 This Agreement shall terminate immediately without further notice upon any sale of the Facility, name

change of the business endeavor at the Facility, or change in ownership of Customer.

5.5 This Agreement shall terminate immediately without further notice upon the absence of an effective Customer Generation Interconnection Agreement entered into by and between Customer and the Department.

5.6 Failure by a Party to substantially observe and perform any provision required by this Agreement where such failure continues for thirty (30) calendar days after receipt of written notice from the other Party shall constitute a material breach and default of this Agreement by the Party receiving said notice. Notwithstanding anything to the contrary and regardless of whether the Department provides notice thereof, failure by Customer to make payment for Electric Service in accordance with the Rules shall constitute a material breach and default of this Agreement by Customer. Except as expressly limited by the Agreement, if a material breach and default has occurred, the non-defaulting Party shall be entitled to monetary damages based on proof of actual damages resulting from default of the other Party. In no event shall either Party be entitled

to monetary damages under this Agreement in excess of $7 million. The non-defaulting Party shall have the right to terminate this Agreement upon the occurrence of any of the events of default described herein.

5.7 Neither Party shall be liable under this Agreement for any consequential, special, indirect or incidental damages, including, but not limited to, loss of profit, loss of use, cost of capital, or replacement power, under any legal theory, including indemnity, warranty, contract, strict liability, or any other theory of liability.

5.8 Agreement to terminate and termination by Customer shall be executed by the Customer's duly authorized chief executive or his or her designee.

5.9 Agreement to terminate and termination by the Department shall be executed by the Department's Rates Manager or his or her designee.

6. ELECTRIC SERVICE:

6.1 The Department shall provide Electric Service at the Facility identified in Exhibit 1 of the Agreement in accordance with the terms and conditions of the rate established herein in Section 7 of this Agreement,

the Rules, and the applicable effective Customer Generation Interconnection Agreement.

6.2 The Department's billing for Electric Service and the Customer's corresponding payment shall be made in accordance with the Rules.

7. CONTRACT RATE:

The rate hereby established herein for Electric Service at the Facility identified in Exhibit 1 of the Agreement shall be in accordance with the otherwise applicable rate schedule(s), which are currently CG-3 and CG-3[i], Customer Generation Service in the Electric Rate Ordinance, as modified by the following:

7.1 AVERAGE CAPACITY FACTOR CREDIT:

For any Billing Period, the Customer may qualify for an Average Capacity Factor Credit applied to the respective electric bill for the Facility. The maximum total of Average Capacity Factor Credits available over the Agreement term is $7 million, and, once this credit limit is reached, no Average Capacity Factor Credit will be applied to Customer's bills. Upon termination of this Agreement, Customer shall be owed no further compensation related to Average Capacity Factor Credits. The Department shall provide an Average Capacity Factor Credit to

the Customer's bill, provided Customer attains the corresponding Average Capacity Factor during that particular Billing Period, in accordance with Table 1.

Table 1
Average Capacity Factor Range Achieved by Customer over the Billing Period

Average Capacity Factor Range	Time-of-Use Period		High Season (June to Sept.)		Low Season (Oct. to May)
Not Less Than 85%	High Peak Period Credit ($/kW)		$7.00		$2.00
	Low Peak Period Credit ($/kW)		$5.75		$0.00
	Base Period Credit ($/kW)		$0.00		$0.00
Less Than 85% and greater or equal to 80%	High Peak Period Credit ($/kW)		$6.00		$1.75
	Low Peak Period Credit ($/kW)		$4.83		$0.00
	Base Period Credit ($/kW)		$0.00		$0.00
Less Than 80% and greater or equal to 75%	High Peak Period Credit ($/kW)		$5.00		$1.50
	Low Peak Period Credit ($/kW)		$3.92		$0.00
	Base Period Credit ($/kW)		$0.00		$0.00
Less Than 75% and greater or equal to 70%	High Peak Period Credit ($/kW)		$4.00		$1.25
	Low Peak Period Credit ($/kW)		$3.00		$0.00
	Base Period Credit ($/kW)		$0.00		$0.00

7.2 AVERAGE CAPACITY FACTOR CREDIT CALCULATION:

The Average Capacity Factor Credit amount for each Billing Period shall be calculated based upon the kWh recorded for Generation Facility output at the interchange point that varies by period of use and season under the terms of this Agreement excluding Qualifying Maintenance Event values.

High Peak Average Capacity Credit is the amount equal to the product of the applicable High Peak Period Credit in Table 1 and High Peak Capacity, where High Peak Capacity equals total High Peak kWh

delivered from the Generation Facility to the Department less Qualifying Maintenance Event values divided by total High Peak hours less Qualifying Maintenance Event values.

Low Peak Average Capacity Credit is the amount equal to the product of the applicable Low Peak Period Credit in Table 1 and Low Peak Capacity, where Low Peak Capacity equals total Low Peak kWh delivered from the Generation Facility to the Department less Qualifying Maintenance Event values divided by total Low Peak hours less Qualifying Maintenance Event values.

7.3 QUALIFYING MAINTENANCE EVENT NOTIFICATION:

Customer shall notify the Department's Authorized Representative of all Qualifying Maintenance Events by written notice by e-mail confirming the date(s) and time prior to the closing of the respective Billing Period(s). The Department and Customer, at their own expense, must have access to e-mail to receive notifications through a primary and secondary e-mail address, as specified in Section 11.3 by and for each Party.

7.4 DEMAND FOR FACILITIES CHARGE:

For the duration of this Agreement only, the Facilities Charge in the applicable rate schedule(s) in the Electric Rate Ordinance shall be based on the highest actual demand level recorded for energy delivered by the Department in the last 12-months at the Service Point. The ESA, RCA, and IRCA in the Electric Rate Ordinance shall be based upon this same demand, as determined for the Facilities Charge.

8. MEASUREMENTS: Energy and demand consumption values shall be based on Department-owned meters located at the Facility. Such meters shall be read, tested, and maintained in accordance with the Rules and the Department's procedures and practices.

9. BILLING AND PAYMENTS:

9.1 Bills and payments shall be transmitted to the following addresses:

9.1.1 If to Customer:

_____
(Customer name)

_____
(Customer address)

_____
(City, State, Zip Code)

Attention: _____

9.1.2 If to the Department:

Department of Water and Power

of the City of Los Angeles

P.O. Box 51111, Room 424

Los Angeles, California 90051

Attention: Accounts Payable

9.2 Either party may, by written notice to the other Party, change the name or address of the person to receive invoices or payments pursuant to this Agreement.

10. ADMINISTRATION:

10.1 Customer's duly authorized chief executive or designee and the Department's Rates Manager or designee are hereby designated the Authorized Representatives who are empowered to act on each Party's behalf with respect to those matters contained in this Agreement.

10.2 The Authorized Representatives shall act as liaison between the Parties and shall provide means of securing effective cooperation and interchange of information on a prompt and orderly basis between the Parties.

10.3 The Authorized Representatives shall review, discuss, and attempt to resolve any disputes between the Parties arising under this Agreement.

11. NOTICES:

11.1 Any written notice under this Agreement shall be deemed properly given on the date of delivery if delivered in person or three (3) days after mailing if sent by registered or certified mail, postage prepaid, to the person specified below unless otherwise provided for in this Agreement.

11.1.1 If to Customer:

_____
(Customer name)

_____
(Customer address)

_____
(City, State, Zip Code)

Attention: _____

11.1.2 If to the Department:

Department of Water and Power
of the City of Los Angeles
111 N. Hope Street, Room 956
Los Angeles, California 90012
Attention: Rates Manager

11.2 Either Party may, by written notice to the other Party, change the name or address of the person to receive notices pursuant to this Agreement.

11.3 The Department and Customer shall list below a primary and secondary e-mail address for notices of Qualifying Maintenance Events. Any written notices

of Qualifying Maintenance Events shall be provided to both the primary and secondary e-mail addresses.

11.3.1 If to Customer:

Primary _____

Secondary _____

11.3.2 If to the Department:

Primary _____

Secondary _____

11.4 Each Party will notify the other of any changes in the contact information in Sections 11.1 and 11.3 above through written notice in accordance with Section 11.1.

12. UNDERSTANDING: Exhibits 1 and 2 are incorporated herein and made a part of this Agreement. This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof; and there are no other promises, terms, conditions, obligations, understandings, or agreements between the Parties with respect thereto. This Agreement supersedes all previous communications, representations, understandings, and agreements, either oral or written, between the Parties with respect to the subject matter hereof, including, but not limited to, LA Civic Center Parallel Generation Interconnection Agreement No. 10411. This is a fully integrated contract.

13. EFFECT OF SECTION HEADINGS: Section headings appearing in the Agreement are inserted for convenience only and shall not be construed as interpretations of text.

14. GOVERNING LAW: This Agreement shall be entered into and performed in the County of Los Angeles, State of California. As such, it shall be governed by and interpreted and enforced in accordance with the applicable laws of the State of California, the County of Los Angeles, and the City of Los Angeles. All litigation arising out of, or relating to, this Agreement shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties must comply, to the extent applicable, with California law governing claims by or against public entities and presentment of such claims.

15. REPRESENTATION: Each Party has been represented by its respective legal counsel during the negotiation and execution of this Agreement. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

16. FORCE MAJEURE: Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement (other than obligations of said Party to make payments due) if failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall

mean any cause beyond the control of the Party affected, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or nonaction by or inability to obtain authorizations or approvals from any governmental agency or authority (other than a Party to this Agreement), which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any obligation under this Agreement by reason of uncontrollable force shall give prompt notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

17. NONDEDICATION OF FACILITIES: This Agreement shall not be construed as a dedication of any properties or facilities, or any portion thereof, by Parties to each other or the public.

18. SEVERAL OBLIGATIONS: Except as otherwise required for public entities under California Government Code Section 895 et seq. or any amendments to or replacements of that chapter, the duties, obligations, and liabilities of the Parties are

several and not joint or collective. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to the Parties. Each Party shall be individually and severally liable for its own obligations under this Agreement.

19. EXECUTION IN COUNTERPARTS: This Agreement may be executed in duplicate-original counterparts, and, upon execution by all Parties, each executed duplicate-original counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another duplicate-original counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER

By BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

Date: _____ By: _____

_____ MARCIE L. EDWARDS

General Manager

Date: _____

And: _____

BARBARA E. MOSCHOS

Secretary

COUNTY OF LOS ANGELES

Date: _____ By: _____

_____

(Printed Name)

Title _____

COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER
ELECTRIC SERVICE AGREEMENT

Exhibit 1
Service Address(es), Account and Meter Number(s)

Service Address	Account Number	Meter Number
301 N. Broadway Los Angeles, CA	3736180000	COUNTYMAIN CAPMG30025-57 CAPMG30025-62 COUNTY2U AUPMD12026-5 (unit) AUPMD12028-1 (unit)

COUNTY OF LOS ANGELES – DEPARTMENT OF WATER AND POWER
ELECTRIC SERVICE AGREEMENT

Exhibit 2
Termination of LA Civic Center Parallel Generation
Interconnection Agreement No. 10411

See attached termination agreement.

AGREEMENT TO TERMINATE LA CIVIC CENTER PARALLEL GENERATION INTERCONNECTION AGREEMENT NO. 10411

BETWEEN

COUNTY OF LOS ANGELES

AND

CITY OF LOS ANGELES
ACTING BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

DWP NO. _____

AGREEMENT TO TERMINATE LA CIVIC CENTER
PARALLEL GENERATION INTERCONNECTION
AGREEMENT NO. 10411

This AGREEMENT TO TERMINATE LA CIVIC CENTER PARALLEL GENERATION INTERCONNECTION AGREEMENT NO. 10411 (Termination Agreement) is made and entered into by and between CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER and COUNTY OF LOS ANGELES, an LADWP customer.

RECITALS

WHEREAS, the parties hereto have entered into the LA Civic Center Parallel Generation Interconnection Agreement No. 10411 (Interconnection Agreement), which took effect December 19, 1985; and

WHEREAS, pursuant to Section 6.2 of the Interconnection Agreement, the Interconnection Agreement may be terminated by mutual agreement of the parties thereto at any time.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the parties hereto hereby agree as follows:

As of the Performance Date of both the impending COUNTY OF LOS ANGELES – DEPARTMENT ELECTRIC SERVICE AGREEMENT and impending COUNTY OF LOS ANGELES – LADWP CUSTOMER GENERATION INTERCONNECTION AGREEMENT, both of which shall be by and between the parties hereto, the Interconnection Agreement is terminated.

This Termination Agreement is effective from the date of execution by the last signatory.

IN WITNESS WHEREOF, the signatories hereto represent that they have been appropriately authorized to enter into this Termination Agreement on behalf of the party for whom they sign. This Termination Agreement is hereby executed on the day and year written below.

COUNTY OF LOS ANGELES

(Customer)

By:

Name (Signature): _____

Name (Print): _____

Title: _____

Date: _____

CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER

By:

Name (Signature): _____

Name (Print): Michael S. Webster

Title: Executive Director - Power System

Date: _____

STANDARD OFFER
FOR SELF-GENERATION
INTERCONNECTION AGREEMENTS

COUNTY OF LOS ANGELES - LADWP
CUSTOMER GENERATION
INTERCONNECTION AGREEMENT

BETWEEN

COUNTY OF LOS ANGELES

AND

CITY OF LOS ANGELES
ACTING BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

DWP NO. _____

COUNTY OF LOS ANGELES - LADWP
CUSTOMER GENERATION
INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

SECTION	TITLE	PAGE
1.	RECITALS	1
2.	DEFINITIONS	1
3.	AGREEMENT	3
4.	RESPONSIBILITIES OF THE CUSTOMER	4
5.	RESPONSIBILITIES OF LADWP	6
6.	METERING	7
7.	DISCONNECTION OF THE GENERATION FACILITY	8
8.	INTERCONNECTION BILLING DETERMINANTS	9
9.	ELECTRIC SERVICE BILLING DETERMINATIONS	10
10.	BILLINGS AND PAYMENTS	10
11.	INGRESS AND EGRESS	12
12.	INSURANCE	12
13.	INDEMNIFICATION	13
14.	ADMINISTRATION	13
15.	DEFAULT	14
16.	REMEDIES UPON DEFAULT	15
17.	FORCE MAJEURE	15
18.	AUTHORIZATIONS AND APPROVALS	16
19.	EFFECT OF SECTION HEADINGS	16
20.	NONWAIVER	16
21.	NONDEDICATION OF FACILITIES	16
22.	NO THIRD-PARTY BENEFICIARIES	16
23.	NOTICES	16
24.	TRANSFER OF INTEREST	17
25.	SEVERAL OBLIGATIONS	17
26.	SEVERABILITY	17
27.	EFFECTIVE DATE AND TERM	17

COUNTY OF LOS ANGELES - LADWP
CUSTOMER GENERATION
INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

SECTION	TITLE	PAGE
28.	GOVERNING LAW AND VENUE	18
29.	UNDERSTANDING	18
30.	REPRESENTATION	18
31.	EXHIBITS	18
32.	EXECUTION	19

ATTACHMENTS

EXHIBIT A – Customer Generation Data Sheets A-1

EXHIBIT B – Single-Line Diagram and Equipment List for the LADWP Facility B-1

EXHIBIT C – Monthly Charge for Maintenance Service C-1

EXHIBIT D – Meters Used by LADWP at Customer's Site Location D-1

EXHIBIT E – Written Description of the Constructed or Modified LADWP Facility E-1

COUNTY OF LOS ANGELES - LADWP
CUSTOMER GENERATION
INTERCONNECTION AGREEMENT

This Agreement is made and entered into by and between CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER (LADWP) and COUNTY OF LOS ANGELES, an LADWP customer (Customer), sometimes referred to singularly as "Party" and collectively as "Parties", who agree as follows:

1. RECITALS: This Agreement is made with reference to the following facts, among others:

1.1 Customer is currently purchasing retail Electric Service from LADWP at the Customer's Site Location:
301 N. Broadway
Los Angeles, CA 90012

Electric Service at this location is being provided pursuant to the terms and conditions of the applicable Rate Ordinance(s) or rate contract(s).

1.2 Customer currently has, at its sole risk and expense, a Generation Facility to operate in parallel with LADWP's electric system. The Generation Facility has an installed nameplate rating of 25,600 kilowatts (kW). The Generation Facility is more fully described in Exhibit A of this Agreement.

1.3 If it is deemed necessary by LADWP to do so after evaluating the Generation Facility specifications, LADWP will design, construct, own, operate, and maintain an LADWP Facility and make any necessary modifications to LADWP's electric system for the intended safe operation of the Generation Facility in parallel with LADWP's electric system. Customer agrees to reimburse LADWP for all actual costs (direct and indirect) incurred in performing such work. If the LADWP Facility is constructed, a description of the LADWP Facility will be attached as Exhibit B of this Agreement after such construction.

2. DEFINITIONS: The definitions, terms, conditions, and requirements provided in the applicable Rate Ordinance(s) or rate contract(s), the Electric Service Requirements, and the Rules are incorporated in and made a part of this Agreement by reference. The following additional terms, when initially capitalized, whether in the singular or plural tense, shall mean:

2.1 Agreement: This COUNTY OF LOS ANGELES - LADWP CUSTOMER GENERATION INTERCONNECTION AGREEMENT.

2.2 Authorized Representative: The representative or designated alternate of a Party appointed in accordance with Section 14 of this Agreement.

2.3 Customer: COUNTY OF LOS ANGELES.

2.4 Customer's Site Location: As described in Subsection 1.1 of this Agreement.

2.5 Electric Service: As defined in the Rules.

2.6 Electric Service Requirements: Requirements prescribed in writing by LADWP in effect at the time this Agreement is executed, and all revisions thereto or replacements thereof, which are necessary and proper for the regulation of any electric service installed, operated, and maintained within the City of Los Angeles. The Electric Service Requirements shall be in conformance with the Charter of the City of Los Angeles and the Rules.

2.7 Emergency Condition: A condition or situation: (1) that in the good faith judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of LADWP, is imminently likely (as determined in the sole judgment of LADWP) to cause a material adverse effect on the security of, or damage to, the LADWP interconnection facilities or the electric systems of LADWP or others to which the electric system of LADWP is directly connected; or (3) that, in the case of the Customer, is imminently likely (as determined in a non-discriminatory manner in good faith) to cause a material adverse effect on the security of, or damage to, Customer's Generation Facility or Customer's interconnection facilities. System restoration and LADWP's black start shall be considered Emergency Conditions. Customer is not obligated by this Agreement to possess black start capability.

2.8 Generation Facility: All of Customer's electrical and mechanical equipment basically described in Exhibit A that is associated with the generation of electricity at Customer's Site Location. A single line diagram of the Generation Facility shall be attached as part of Exhibit A of this Agreement.

2.9 In-Service Date: The date of initial interconnection of the Generation Facility to LADWP's electric system.

2.10 Interconnection Costs: All reasonable costs, as determined by LADWP in accordance with Prudent Utility Practices, including, but not limited to, planning, engineering, design, supervision, material procurement, construction, quality assurance and inspection, testing, metering, maintenance, negotiation, contract administration, protection, expediting,

accounting, budgeting, and other activities reasonably necessary for the interconnection and intended safe parallel operation of the Generation Facility to LADWP's electric system.

2.11 LADWP Facility: Electrical and mechanical equipment required and installed, owned, operated, and maintained by LADWP for the intended safe parallel operation of the Generation Facility. This equipment, further described in Exhibit B and Exhibit E of this Agreement, is deemed by LADWP to be appurtenant and/or incidental to the Generation Facility and will be located at the site of the Generation Facility.

2.12 Laws: All applicable statutes, ordinances, rules, orders, regulations and codes of the City of Los Angeles, the State of California, and/or Federal governmental authorities having jurisdiction, including, but not limited to, the Charter of the City of Los Angeles as amended.

2.13 Performance Date: As defined in Section 27 of this Agreement.

2.14 Prudent Utility Practices: Those practices, methods, and equipment, as changed from time to time, that are commonly used in prudent engineering and operations to design and operate electric equipment lawfully and with safety, dependability, efficiency, and economy.

2.15 Rate Ordinance: An ordinance, in accordance with City of Los Angeles Charter Subsection 676(a) or any amendments to or replacements of that subsection, approving the rates fixed by the Board of Water and Power Commissioners of the City of Los Angeles (Board) for electric energy or surplus energy.

2.16 Rules: The Rules Governing Water and Electric Service in the City of Los Angeles adopted by the Board under Resolution No. 56, dated September 8, 1983, and all amendments, revisions, and replacements thereof.

2.17 Service Point: The point of interconnection between Customer's Site Location and the LADWP electric system. The meters on Customer's Site Location are more fully described in Exhibit D.

3. AGREEMENT: In consideration of the terms and conditions contained herein and the mutual benefit to be derived by this Agreement, the Parties further agree as follows:

3.1 Customer shall purchase electric service at the Customer's Site Location, as needed, solely from LADWP according to the terms and conditions of the applicable Rate Ordinance(s) or rate contract(s).

3.2 Customer shall pay LADWP for all costs associated with the interconnection and intended safe parallel operation of the Generation Facility in accordance with the terms and conditions contained herein.

3.3 Customer agrees to accept electric service and supply from LADWP subject to the conditions of supply as provided by LADWP at the Customer's Site Location. LADWP will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of Electric Service to the Customer's Site Location, and to avoid any shortage or interruption of delivery. LADWP cannot, and does not, however, guarantee a continuous or sufficient supply of electrical current, or freedom from fluctuations of voltage, interruption of service, or shortage or insufficiency of supply.

3.4 Customer agrees to fully and completely hold harmless and release the City of Los Angeles, LADWP, their boards, officers, agents, employees, assigns, successors-in-interest, contractors, and sub-contractors from any equitable, tort, or statutory causes of action arising from the supply of electric service to Customer's Site Location, including, but not limited to, those due to electric voltage, fluctuations of voltage, interruptions of service for any reason or duration, shortage or insufficiency of supply, and negligence. Neither LADWP nor Customer shall be liable under any legal theory, including indemnity, warranty, contract, strict liability, or any other theory of liability, for any consequential, special, indirect or incidental damages, including, but not limited to, loss of profit, loss of use, cost of capital, or replacement power. LADWP will not be liable to Customer for interruption, shortage, or insufficiency of supply to the Customer's Site Location caused by LADWP's ordinary negligence, the negligence of others, or any cause beyond LADWP's control, or the ordinary negligence of LADWP's employees, servants, or agents. Furthermore, to the extent of liabilities expressly assumed by Customer hereunder, Customer shall provide a complete waiver of subrogation rights in favor of LADWP from all insurance carriers providing coverage to Customer.

3.5 LADWP may, without any liability therefor, and without prior notice, interrupt Electric Service to the Customer's Site Location in the event of an Emergency Condition. In such a case, LADWP may apportion its available supply of electricity among all customers and in a manner that appears to it most equitable under the prevailing circumstances and conditions. The restoration of interrupted Electric Service to the Customer's Site Location, in such a case, will be performed by LADWP as rapidly as practicable and in the manner which, in the opinion of LADWP, will result in the greatest overall public benefit.

4. RESPONSIBILITIES OF THE CUSTOMER:

4.1 Customer shall own, at its sole risk and expense, the Generation Facility in compliance with all applicable codes, Laws, Electric Service Requirements,

Rules, and Prudent Utility Practices. A person or entity acting on Customer's behalf may operate and maintain the Generation Facility in compliance with all applicable codes, Laws, Electric Service Requirements, Rules, Prudent Utility Practices, and this Agreement. Meeting this requirement shall not relieve Customer of its obligations pursuant to the terms and conditions of this Agreement.

4.2 Within ten (10) days after execution of this Agreement by Customer, Customer shall submit the following information:

4.2.1 Electrical plans including load schedules and single-line diagrams; and

4.2.2 Plot and site development plans showing generator, disconnect, and metering equipment locations and LADWP access to generator, disconnect, and metering equipment locations; and

4.2.3 Energy Source Information:
(1) Maximum kilowatt rating
(2) Nominal voltage output
(3) Voltage regulation
(4) Maximum fault current contribution; and

4.2.4 Protective system information:
(1) Protective system plan
(2) Manufacturer's data sheets and maintenance requirements for protective equipment; and

4.2.5 Any additional information required by LADWP.

4.3 If the LADWP Facility is modified or constructed, a written description of the LADWP Facility will be attached as Exhibit E of this Agreement after construction.

4.4 Review by LADWP of Customer's original specifications or of any changes or modifications to those specifications shall not be construed as confirming or endorsing the design or as implying any warranty of safety or durability of the Generation Facility.

4.5 LADWP shall not, by reason of review or failure to review, be responsible for strength, details of design, adequacy or capacity of the Generation Facility or its constituent equipment, nor shall LADWP's acceptance be deemed to be an LADWP approval or endorsement of the Generation Facility.

4.6 Within thirty (30) calendar days following the In-Service Date or at a date mutually agreed to between the Authorized Representatives, Customer shall submit in writing to LADWP's Authorized Representative that the Generation Facility meets the standards set forth in the applicable Electric Service Requirements.

4.7 Customer shall operate and maintain the Generation Facility in accordance with the applicable Electric Service Requirements, Prudent Utility Practices, and this Agreement.

4.8 Customer shall not energize, at any time, a de-energized portion of LADWP's electric system without express written permission from LADWP's Authorized Representative.

4.9 Customer shall obtain and maintain in full force and effect insurance for the Generation Facility with limits not less than those set forth in Section 12 of this Agreement.

4.10 The Parties recognize that, from time to time, certain improvements, additions, or other changes in the interconnection and protection equipment at the Generation Facility or elsewhere at Customer's Site Location may be required for the intended safe parallel operation of the Generation Facility with LADWP's electric system. Such improvements, additions, or other changes shall be in accordance with applicable Laws, Rate Ordinance(s), rate contract(s), Electric Service Requirements, Rules, and Prudent Utility Practices. LADWP shall have the right to require Customer to make those changes upon reasonable advance written notice from LADWP's Authorized Representative.

4.11 Failure of Customer to comply with Subsection 4.10 within a reasonable period of time after receipt of such written notice as provided in Subsection 4.10 may result in the Generation Facility being disconnected from LADWP's electric system pursuant to Section 7.

5. RESPONSIBILITIES OF LADWP:

5.1 LADWP shall be the sole provider of electric service required by Customer at Customer's Site Location, provided, however, that Customer shall be entitled to fully utilize and consume the electric energy produced by the Generation Facility in accordance with the applicable Electric Service Requirements and Prudent Utility Practices. Electric Service provided by LADWP shall be provided in compliance with all applicable Laws, Rate Ordinance(s), rate contract(s), Electric Service Requirements, Rules, and Prudent Utility Practices.

5.2 If it is deemed necessary by LADWP to do so after evaluating any improvements, additions, or other changes to the Generation Facility's plans, LADWP will design, construct, own, operate, and maintain an LADWP Facility and make any necessary modifications to LADWP's electric system for the intended safe operation of the Generation Facility in parallel with LADWP's electric system, consistent with applicable Laws, Rate Ordinance(s), rate contract(s), Electric Service Requirements, Rules, and Prudent Utility Practices.

5.3 LADWP reserves the right to make measurements or other tests on the Generation Facility, from time to time, as specified in the Electric Service Requirements, subject to Section 11. If the measurements or tests determine that the Generation Facility does not meet the specifications of the Electric Service Requirements, LADWP will require Customer to disconnect the Generation Facility from LADWP's electric system pursuant to Subsection 7.1. Customer shall make, or cause to be made, the appropriate changes to the Generation Facility before reconnection to LADWP's electric system.

5.4 The Parties recognize that, from time to time, certain improvements, additions, or other changes in LADWP's electric system may be required for the intended safe parallel operation of the Generation Facility. Such improvements, additions, or other changes will be in accordance with Prudent Utility Practices. LADWP shall have the right to make those changes upon reasonable advance written notice from LADWP's Authorized Representative to Customer. LADWP shall bill Customer for such improvements, additions, or other changes in accordance with Section 8 of this Agreement.

5.5 LADWP shall bill Customer for the actual costs to perform work incurred in the implementation of this Agreement pursuant to Subsections 1.3, 3.2, 5.2, 5.4, 8.2, 8.4, 8.5, and 8.6 of this Agreement.

6. <u>METERING</u>:

6.1 LADWP shall install, at Customer's sole expense, metering equipment and recorders at the Service Point and at the output point of the Generation Facility to measure electric energy and other electric parameters, as deemed appropriate by LADWP. Such metering equipment and recorders shall be independent from and not connected to the Generation Facility's control system.

6.2 For Generation Facilities with nameplate ratings of at least 1,000 kW, Customer shall provide LADWP with the capability to remotely monitor the Generation Facility. LADWP shall install, at Customer's sole expense, telemetering equipment at the Service Point and at the output point of the

Generation Facility to monitor the electrical generation at LADWP's Energy Control Center.

6.3 On the In-Service Date, the demand, as recorded by LADWP's revenue meters at the Service Point, shall be reset to zero for billing purposes. Any demand incurred after the In-Service Date shall be used to determine the amount of the demand charges described in the applicable Rate Ordinance(s) or rate contract(s).

6.4 LADWP meters shall be sealed with LADWP seals only. The seals shall not be broken except when the meters are inspected, tested, or adjusted by LADWP. LADWP shall test the meters, at its own expense, in accordance with its routine practice and the Rules.

6.5 Customer may request testing of meters prior to their normally scheduled test dates, and LADWP shall test the meters upon request within a reasonable time. Customer shall be given reasonable notice to have a representative present at the time of meter testing. Customer shall pay for the cost of the requested meter testing if the meters are found to be within the tolerances specified within the Rules.

6.6 Disputes concerning alleged meter discrepancies shall be resolved in accordance with applicable Laws, Rate Ordinance(s), rate contract(s), and the Rules.

7. DISCONNECTION OF THE GENERATION FACILITY:

7.1 LADWP shall require Customer to disconnect the Generation Facility from LADWP's electric system if Customer does not comply with the covenants of this Agreement and applicable Laws, Rate Ordinance(s), rate contract(s), Electric Service Requirements, or Rules. Unless Subsection 7.2 applies, LADWP's Authorized Representative shall provide Customer with thirty (30) calendar days' written notice of such intent and identify the issue(s) of non-compliance before LADWP may disconnect the Generation Facility. If Customer determines that any such issue(s) cannot be cured within thirty (30) days, Customer shall so notify LADWP with written notice within thirty (30) days of receiving LADWP's written notice. Customer's written notice shall contain a statement of the reasons why the issue(s) cannot be cured or complied with within thirty (30) days, and Customer will provide an estimated schedule for curing the non-compliance. Upon receipt of such written notification from Customer, LADWP's Authorized Representative, at his or her sole discretion, may establish, after consultation with Customer, a new date to achieve compliance. If Customer cures the non-compliance issue(s) by the established date to achieve compliance, then LADWP will take no further action regarding that issue of non-compliance.

7.2 In accordance with procedures established in the Electric Service Requirements, LADWP shall require Customer to disconnect the Generation Facility immediately from LADWP's electric system (i) upon the occurrence of an Emergency Condition involving the Generation Facility or (ii) to allow LADWP to repair, replace, or maintain any equipment associated with LADWP's electric system.

7.3 Each Party shall endeavor to correct the condition on its respective electric system or equipment that resulted in the separation and shall coordinate reconnection of the Generation Facility for parallel operation.

7.4 LADWP shall provide for reconnection of the Generation Facility to LADWP's electric system when reasonable to do so in accordance with applicable Laws, Rate Ordinance(s), rate contract(s), Electric Service Requirements, Rules, and Prudent Utility Practices.

7.5 LADWP shall not be liable to Customer or any person or entity acting on Customer's behalf, including, but not limited to, any agent, designee, contractor, or lessee, for damages (of any type or nature whatsoever) resulting from the connection or disconnection of the Generation Facility from LADWP's electric system.

8. INTERCONNECTION BILLING DETERMINANTS:

This Section 8 shall apply (i) if, after initial review of the Generation Facility plans and specifications or after review of any proposed improvements, additions, or other changes to the Generation Facility plans and specifications, LADWP determines that an LADWP Facility must be constructed or modifications must be made to LADWP's electric system for the intended safe operation of the Generation Facility in parallel with LADWP's electric system, or (ii) LADWP otherwise determines that modifications must be made to LADWP's electric system for the intended safe operation of the Generation Facility in parallel with LADWP's electric system.

8.1 For each detailed cost estimate and detailed design for the LADWP Facility and modifications to LADWP's electric system, LADWP shall bill Customer a nonrefundable amount equal to ten percent (10%) of the preliminary estimate of the Interconnection Costs. The estimate made shall be based on Generation Facility specifications, pursuant to Subsection 4.2. Upon receipt of the nonrefundable amount, LADWP shall prepare a detailed cost estimate and a detailed design in a timely manner.

8.2 LADWP shall bill Customer for the amount of the Interconnection Costs based on the detailed cost estimate, less the ten percent (10%) previously advanced pursuant to Subsections 1.3 and 8.1.

8.3 Upon receipt of the necessary funds, LADWP shall proceed with the LADWP Facility and any necessary modifications to the electric system for the intended safe parallel operation of the Generation Facility.

8.4 If it is determined, at the completion of the LADWP Facility, that Customer has advanced funds which are greater or less than the actual Interconnection Costs, LADWP's Authorized Representative shall make the appropriate adjustment within ninety (90) calendar days after the in-service date of the new or modified LADWP Facility. Payment shall be made within thirty (30) calendar days thereafter.

8.5 LADWP shall bill Customer monthly for maintenance service on the LADWP Facility pursuant to Exhibit C of this Agreement.

8.6 If it is determined, pursuant to Subsection 5.2 or 5.4 of this Agreement, that LADWP must make improvements, additions, or other changes to either the LADWP Facility or to LADWP's electric system, LADWP shall bill Customer for all costs incurred for such improvements, additions, or other changes. The Maintenance Costs determined pursuant to Exhibit C shall be modified to reflect changes in the LADWP Facility.

9. ELECTRIC SERVICE BILLING DETERMINATIONS:

LADWP shall bill Customer for Electric Service after the end of each billing period. The bill shall be calculated using the applicable rate(s) in the appropriate rate schedule(s) in the applicable Rate Ordinance(s) or rate contract(s) and recorded billing data that shall consist of metered values deemed required by LADWP. The recorded billing data shall be obtained from LADWP revenue meters and recorders. Customer shall send the payment to the address specified in Subsection 10.2.

10. BILLINGS AND PAYMENTS:

10.1 Billings and payments pursuant to Section 8, Interconnection Billing Determinants, shall be transmitted to the following addresses:

10.1.1 If to LADWP:

Department of Water and Power of the City of Los Angeles
PO Box 30870, Room 434
Los Angeles, California 90030-0870
Attention: General Accounting

10.1.2 If to Customer:

_____

_____

_____

_____

10.2 Billings and payments pursuant to Section 6, Metering, Section 9, Electric Service Billing Determinations, and Section 14, Administration, shall be transmitted to the following addresses:

10.2.1 If to LADWP:

Department of Water and Power of the City of Los Angeles
PO Box 51111
Los Angeles, CA 90051-5700
Attention: Accounts Receivable

10.2.2 If to Customer:

_____

_____

_____

_____

10.3 Either Party may change, by written notice to the other Party, the name or address of the person to receive invoices or payments pursuant to this Agreement.

10.4 All bills for Electric Service, except as provided otherwise in this Agreement, are due and payable by Customer upon presentation. Payment shall be made in accordance with the Rules.

10.5 If the correctness of any bill for Electric Service, or any part thereof, or if the correctness of other charges or practices of LADWP is disputed by Customer, LADWP shall conduct an investigation in accordance with the Rules.

11. INGRESS AND EGRESS:

11.1 LADWP shall have, at all times, the right of ingress to and egress from Customer's premises for the following reasons:

11.1.1 Any purpose related to furnishing or receiving electric energy, including, but not limited to, inspection and maintenance; or

11.1.2 In order to exercise any and all rights secured to LADWP by law, this Agreement, or the Rules.

11.2 While on Customer's premises, LADWP shall abide by Customer's safety rules and regulations.

12. INSURANCE:

12.1 Unless otherwise agreed to in writing by the Authorized Representatives, Customer shall, at Customer's sole expense, maintain in effect at all times insurance with limits not less than those set forth below. Any insurance carried by LADWP, which may be applicable, shall be deemed to be excess insurance. Customer's insurance shall be deemed to be primary.

12.2 The insurance referenced in Subsection 12.1 of this Agreement shall be comprised of Commercial General Liability Insurance including Premises and Operations, Contractual Liability, Products and Completed Operations, Broad Form Property Damage, Personal Injury, Independent Contractors, and, if applicable, Explosion, Collapse, and Underground Hazard.

12.3 Customer shall provide coverage for a combined single limit of not less than $1,000,000 for each occurrence and not less than $2,000,000 in the aggregate, as well as All Risk Property insurance including Boiler and Machinery/Mechanical Breakdown coverage in the amount of the full replacement value of the Generation Facility. The Customer shall provide a waiver of subrogation from the All Risk Property Insurer in favor of LADWP.

12.4 Customer shall furnish LADWP's Risk Manager at the address shown in Subsection 12.5 with evidence of insurance, including any endorsements to the policy, acceptable to LADWP's Risk Manager.

12.5 The insurance endorsements shall name the City of Los Angeles, the Board, LADWP, and their officers, agents and employees, while acting within the scope of their employment, as additional insureds. The endorsements shall also contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) calendar days' written notice by registered mail to LADWP at the following address:

Department of Water and Power of the City of Los Angeles
PO Box 51111, Room 465
Los Angeles, CA 90051
Attention: Risk Management Section

12.6 The foregoing insurance requirements are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Customer under this Agreement.

12.7 Failure of Customer to maintain such insurance, or to provide such endorsements to LADWP when due, shall result in the disconnection of the Generation Facility from LADWP's electric system pursuant to Section 7.

13. INDEMNIFICATION:

13.1 Customer shall indemnify, defend, and hold harmless the City of Los Angeles, the Board, LADWP, and their officers, agents, and employees from and against any and all liability, costs, losses, claims, demands, judgments, actions, and causes of action for personal injury, including, but not limited to, bodily injury, or for any property destruction or damage, to third parties or to either Party to this Agreement, attributable to, in whole or in part, or resulting from, the errors, acts, or omissions of Customer or any person or entity acting on Customer's behalf, including, but not limited to, any agent, designee, contractor of any tier, or lessee, in any manner arising from or in connection with this Agreement.

13.2 LADWP shall not be indemnified under this Section 13 for liability or loss resulting from its sole negligence or willful misconduct.

14. ADMINISTRATION:

14.1 Within thirty (30) calendar days after the Performance Date of this Agreement, Customer and LADWP's Director of Power Engineering or designee shall each designate, by written notice to the other, a representative who is authorized to act in each Party's behalf with respect to those matters delegated to the Authorized Representatives. Each Party may designate an authorized alternate with full authority to act in the absence of the Authorized Representative. Each Party shall have the right to change its Authorized Representative or authorized alternate by written notice to the other Party.

14.2 The Authorized Representatives shall provide liaison between the Parties and a means of securing effective cooperation, interchange of information, and

consultation on a prompt and orderly basis concerning the various matters that may arise, from time to time, in connection with this Agreement.

14.3 The Authorized Representatives shall review and attempt to resolve any disputes between the Parties under this Agreement. Should the Authorized Representatives be unable to resolve a dispute, the matter shall be referred to Customer and LADWP's Director of Power Engineering who shall use their best efforts for resolution.

14.4 Prior to the In-Service Date, the Authorized Representatives shall agree on written procedures pertaining to the synchronization, operation, maintenance, administration, and other activities that may require coordination between the Parties.

14.5 All actions, agreements, resolutions, determinations, or reports made by the Authorized Representatives shall be made in writing and shall become effective when signed by the Authorized Representatives.

14.6 Any expenses incurred by an Authorized Representative or authorized alternate in connection with their duties shall be paid by the Party they represent unless otherwise agreed to in writing by Customer and LADWP's Director of Power Engineering.

14.7 The Authorized Representatives shall have no authority to modify this Agreement.

15. DEFAULT:

15.1 Default by Customer: The occurrence of any of the following shall constitute a material breach and default of this Agreement by Customer:

15.1.1 Failure by Customer to make payment to LADWP of uncontested amounts within the times set forth in this Agreement; or

15.1.2 Failure by Customer to comply with requirements pertaining to the safety of persons or property set forth herein or in the applicable Laws, Rate Ordinance(s), rate contract(s), the Electric Service Requirements, or the Rules; or

15.1.3 Failure by Customer to substantially observe and perform any other material provision of this Agreement within thirty (30) calendar days of receiving written notice from LADWP of the provisions of this Agreement with which LADWP believes Customer has not complied. If Customer determines that any such provision cannot be complied with within thirty (30) days, Customer shall so notify LADWP in writing within thirty (30) days of receiving LADWP's

written notice. Customer's written notice shall contain a statement of the reasons why the provision cannot be complied with within thirty (30) days, and Customer shall provide an estimated schedule for compliance with the provision. Upon receipt of such written notification from the Customer, LADWP's Authorized Representative, at his or her sole discretion, may establish, after consultation with Customer, a new date to achieve compliance. If Customer complies with the provision by the established date to achieve compliance, then LADWP will take no further action regarding that instance of non-compliance.

15.2 Default by LADWP: Failure by LADWP to substantially observe and perform any material provision required by this Agreement, where such failure results in a condition materially harmful to Customer and continues for thirty (30) calendar days after receipt of written notice from Customer, shall constitute a material breach and default by LADWP of this Agreement, provided, however, that if the nature of such default is curable, but that the same cannot with due diligence be cured within the thirty (30) calendar day period, LADWP shall not be deemed to be in default if it commences to cure the default within the thirty (30) calendar day period and thereafter diligently prosecutes the same to completion.

16. REMEDIES UPON DEFAULT: Either Party shall be entitled to monetary damages based on proof of actual damages resulting from default of the other Party. The non-defaulting Party shall have the right to terminate this Agreement upon the occurrence of any of the events of default described in Section 15.

17. FORCE MAJEURE: Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement (other than obligations of said Party to make payments due) if failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the control of the Party affected, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or nonaction by or inability to obtain authorizations or approvals from any governmental agency or authority (other than a Party to this Agreement), which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any obligation under this Agreement by reason of uncontrollable force shall give prompt notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

18. AUTHORIZATIONS AND APPROVALS:

18.1 Each Party shall obtain all the necessary authorizations, licenses, approvals, and permits from Federal, State, or local agencies having jurisdiction.

18.2 This Agreement and all operations hereunder are subject to the applicable Laws.

19. EFFECT OF SECTION HEADINGS: Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

20. NONWAIVER: None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. Any omission or failure of either Party to demand or enforce strict performance of provisions of the Agreement shall not be construed as a waiver or as a relinquishment of any rights. All provisions and rights shall continue and remain in full force and effect as if such omission or failure had not occurred.

21. NONDEDICATION OF FACILITIES: This Agreement shall not be construed as a dedication of any properties or facilities, or any portion thereof, by either Party to each other or the public.

22. NO THIRD-PARTY BENEFICIARIES: This Agreement is for the sole benefit of the Parties hereto and shall not be construed as granting rights to any person or entity other than the Parties or imposing on either Party obligations to any person other than a Party.

23. NOTICES:

23.1 Any written notice under this Agreement shall be deemed properly given if delivered in person or sent by registered or certified mail, postage prepaid, to the person specified below unless otherwise provided for in this Agreement:

23.1.1 If to LADWP:

Department of Water and Power of the City of Los Angeles
PO Box 51111, Room 1255
Los Angeles, California 90051-5700
Attention: Director of Power Engineering

23.1.2 If to Customer:

_____

_____

_____

_____

23.2 Either Party may, by written notice to the other Party, change the name or address of the person to receive notices pursuant to this Agreement.

24. TRANSFER OF INTEREST: Neither Party shall assign or transfer this Agreement, in whole or in part, without the prior written consent of the other Party. The consent to assign or transfer shall not be unreasonably withheld. LADWP's Director of Power Engineering or designee shall execute assignment or transfer of this Agreement or the consent to assign or transfer this Agreement.

25. SEVERAL OBLIGATIONS: Except as otherwise required for public entities under California Government Code Section 895 et seq. or any amendments to or replacements of that chapter, the duties, obligations, and liabilities of the Parties are several and not joint or collective. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

26. SEVERABILITY: If any paragraph, sentence, clause, phrase, or word shall become without full effect due to any judicial decision or change in applicable Laws, the balance of this Agreement shall remain in full force and effect provided that the purposes of this Agreement can still be fulfilled.

27. EFFECTIVE DATE AND TERM:

27.1 Upon execution by both Parties, this Agreement is effective as of December 1, 2015, provided, however, that no terms and conditions of this Agreement shall be of any force or effect until the "Performance Date", which is the first day of the Customer's first scheduled full billing cycle beginning on or after December 1, 2015.

27.2 Unless terminated earlier under Section 16, this Agreement terminates upon the fifth anniversary of the Performance Date.

27.3 Upon the date of termination of this Agreement, all rights to services provided hereunder shall cease, and neither Party shall claim or assert any continuing right to such services hereunder. However, such termination shall not affect the rights and obligations to pay money for transactions occurring prior to termination. Following the termination of this Agreement, the provisions of Section 13 shall survive for periods when Customer owns the Generation Facility.

28. **GOVERNING LAW AND VENUE:** This Agreement shall be entered into and performed in the County of Los Angeles, State of California. As such, it shall be governed by and interpreted and enforced in accordance with the applicable laws of the State of California, County of Los Angeles, and the City of Los Angeles. All litigation arising out of, or relating to, this Agreement shall be brought in a State or Federal court in the County of Los Angeles in the State of California.

29. **UNDERSTANDING:** This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof, and there are no other promises, terms, conditions, obligations, understandings, or agreements between the Parties with respect thereto. This Agreement supersedes all previous communications, representations, understandings, and agreements, either oral or written, between the Parties with respect to the subject matter hereof, including, but not limited to, LA Civic Center Parallel Generation Interconnection Agreement No. 10411.

30. **REPRESENTATION:** Each Party has been represented by legal counsel in the negotiation and execution of this Agreement.

31. **EXHIBITS:** Exhibits A through E attached hereto are incorporated herein by this reference. All terms used in Exhibits A through E, when initially capitalized, whether in the singular or plural tense, shall have the meaning used in this Agreement.

32. **EXECUTION**: IN WITNESS WHEREOF, the signatories hereto represent that they have been appropriately authorized to enter into this COUNTY OF LOS ANGELES - LADWP Customer Generation Interconnection Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed on the day and year written below.

COUNTY OF LOS ANGELES

(Customer)

By:

Name (Signature): _____

Name (Print): _____

Title: _____

Date: _____

CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER

By:

Name (Signature): _____

Name (Print): _____

Title: _____

Date: _____

EXHIBIT A

CUSTOMER GENERATION DATA SHEETS

Facility Name: _____

Address: _____

_____

Owner/Company: _____

Contact Person: _____ Phone: _____

Primary Product/Service of Facility: _____

Unit Start-Up Date: _____

SYSTEM CHARACTERISTICS

Capacities: Nameplate Rating _____ kW

Thermal _____ BTU/Hr _____lbs./Hr

Operations: Schedule _____ hours/day _____ days/year

Typical Daily Profile, O = On and X = Off

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 Control Mode:

INTERCONNECTION WITH LADWP

_____ Isolated, no connection to power grid

_____ Parallel, connected to grid to purchase power

_____ Parallel, connected to grid, utility owned or operated

_____ Electric load including planned expansions

GENERATION FACILITY DESCRIPTION

Schematic Diagram and/or Single Line Diagram

Written Description

(Attach additional pages to this Exhibit A if necessary)

ANNUAL PLAN PRODUCTION/USE CHARACTERISTICS

OUTPUT: Electric _____ kWh

Thermal _____ Billion BTUs

Mechanical _____ HP-hr

CONSUMPTION: Electric _____ kWh

Thermal _____ MM BTUs

PEAK DEMAND: Electric _____ kW

Thermal _____ MM BTU/hr

System Efficiency _____ percent

Net Heat Rate _____ BTU/kWh

Fuel Type Amount Used

_____ MMBTUs

ECONOMIC CHARACTERISTICS

Capital Costs _____ O&M Costs _____ $/year

Fuel Costs: _____ $/year

Cost of Generated Electricity _____cents/kWh

FOR LADWP USE ONLY:

ACCOUNT REPRESENTATIVE _____

IS No. _____ VOLTAGE CONNECTION _____

EXHIBIT B

SINGLE-LINE DIAGRAM AND EQUIPMENT LIST FOR THE LADWP FACILITY

If the LADWP Facility is constructed, a single-line diagram and equipment list for the LADWP Facility will be attached to this Exhibit after the LADWP Facility has been designed and constructed. LADWP's Authorized Representative will provide a copy of Exhibit B for Customer's files.

EXHIBIT C

MONTHLY CHARGE FOR MAINTENANCE SERVICE

If the LADWP Facility is constructed or modified, the monthly charge for maintenance service on the LADWP Facility shall be based on the purchase price of all equipment installed at the LADWP Facility necessary for the intended safe parallel operation of the Customer's Generation Facility.

Initially, the monthly charge will be equal to one-half (1/2) percent of the estimated cost of such equipment.

The monthly maintenance service charge shall begin on the first day of the first month following the In-Service Date. If the In-Service Date does not fall on the first of the month, the first monthly bill shall be prorated to include the partial month, plus the normal monthly payment. For minimal cost projects, the monthly charge for maintenance service may be billed on a quarterly, semi-annual, or annual basis for the preceding three (3), six (6), or twelve (12) months.

When the actual costs for the LADWP Facility equipment have been determined, the monthly maintenance service charge shall be adjusted to reflect the true cost of the equipment. Adjustments to the monthly charge will also be made whenever equipment is removed or installed pursuant to Subsection 5.2 herein.

The monthly charge for maintenance service shall be adjusted annually by LADWP for inflation. Such adjustments shall be equal to the current monthly charge times the sum of one (1) plus the percentage change in the Consumer Price Index for all Urban Consumers for the Los Angeles area containing all items, not seasonally adjusted, and using 1982–1984=100 as the reference base (CPI). Adjustments shall become effective January 1 of the first year following the Performance Date. Inflation adjustments shall be made as soon as the CPI information becomes available.

EXHIBIT D

METERS USED BY LADWP AT CUSTOMER'S SITE LOCATION

The meter(s) that are used by LADWP for the Customer at the Customer's Site Location are:

EXHIBIT E

WRITTEN DESCRIPTION OF THE CONSTRUCTED OR MODIFIED LADWP FACILITY