

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: September 24, 2007

FROM: CITY ATTORNEY

SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA APPROVING THE MILFORD WIND CORRIDOR PHASE I PROJECT POWER SALES AGREEMENT WITH THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND APPROVING THE CITY'S SHARE OF PROJECT ENERGY AND ASSOCIATED ENVIRONMENTAL ATTRIBUTES

TITLE OF THE PROPOSED ORDINANCE:

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA APPROVING THE MILFORD WIND CORRIDOR PHASE I PROJECT POWER SALES AGREEMENT WITH THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND APPROVING THE CITY'S SHARE OF PROJECT ENERGY AND ASSOCIATED ENVIRONMENTAL ATTRIBUTES

PURPOSE OF ORDINANCE:

The City Council directed the preparation of this Ordinance on April 9, 2007. Since that time, on-going negotiations have produced relatively minor project document changes. The project documents are now ready to be signed by the parties. The proposed ordinance will help Pasadena meet its renewable energy goals and state law requirements for reductions in green-house gas emissions by generators of electricity, including last year's AB 32 and AB 1368.

REASONS WHY LEGISLATION IS NEEDED:

Government Code section 54241 provides in substance that certain types of facilities agreements between a city and a public leaseback corporation which require payments by the city to be used by the corporation to pay principal and/or interest on financing bonds must be adopted by ordinance. This statute may apply to the Power Sales Agreement and, accordingly, it is prudent to approve the Power Sales Agreement by ordinance.

MEETING OF 09/24/2007

AGENDA ITEM NO. 9.A.3.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Electricity customers of the Pasadena Water and Power Department will receive the electricity supplied through this contract and pay for it through their electricity rates.

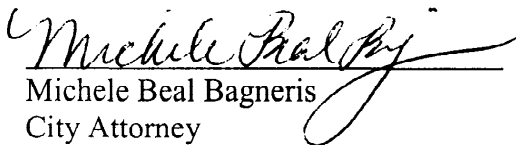
FISCAL IMPACT:

In the April 9, 2007 agenda report, the Water & Power Department estimated that power supplied under the Power Sales Agreement will cost on average \$307,000 per year more than spot market purchases of non-renewable power. This extra cost will result in a rate premium of less than 0.012 cents per kWh during the life of the Agreement. All costs associated with the Agreement will be recovered through the city's electric services rates. There will be no impact on the General Fund.


POLICY CHANGES:

There are no policy changes implicated by the proposed ordinance.

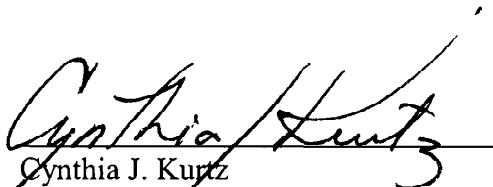
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Scott D. Rasmussen
Assistant City Attorney

Concurrence:


Cynthia J. Kurtz
City Manager

Introduced by Councilmember

ORDINANCE NO. _____

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA
APPROVING THE MILFORD WIND CORRIDOR PHASE I PROJECT
POWER SALES AGREEMENT WITH THE SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY AND APPROVING THE CITY'S SHARE OF
PROJECT ENERGY AND ASSOCIATED ENVIRONMENTAL ATTRIBUTES

The People of the City of Pasadena ordain as follows:

SECTION 1. The Milford Wind Corridor Phase I Project Power Sales

Agreement with the Southern California Public Power Authority is hereby approved.

SECTION 2. The City Manager is hereby authorized to execute and deliver the Milford Wind Corridor Phase I Project Power Sales Agreement with the Southern California Public Power Authority, with such changes, insertions and omissions as shall be approved by her (such approval to be conclusively evidenced by such execution), provided that the City of Pasadena's entitlement share of the energy and associated environmental attributes of the project, a wind energy generation resource situated North of the town of Milford, Utah, shall not exceed 2.5 percent (expected to be approximately five megawatts), and the City Clerk is hereby authorized to attest to such signature.

SECTION 3. The City Manager is further authorized to execute and deliver any and all other documents and instruments and to do and cause to be done any and all acts

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and things necessary or advisable for carrying out the transactions contemplated by this Ordinance.

SECTION 4. Pursuant to Section 54241 of the Government Code of the State of California, this Ordinance is subject to the provisions for referendum applicable to the City of Pasadena.

SECTION 5. The City Clerk shall certify to the adoption of this Ordinance and cause this Ordinance to be published in full text.

SECTION 6. This Ordinance shall not be codified.

SECTION 7. This Ordinance shall take effect thirty (30) days after publication.

Signed and approved this _____ day of _____
_____, 2007.

Bill Bogaard
Mayor of the City of Pasadena

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I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held _____, 2007,

by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:

Scott D. Rasmussen
Assistant City Attorney