

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: January 10, 2011

FROM: CITY ATTORNEY

SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA APPROVING THE POWER SALES AGREEMENT BETWEEN THE CITY OF PASADENA AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR THE LA PAZ SOLAR TOWER PROJECT

TITLE OF PROPOSED ORDINANCE:

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA APPROVING THE POWER SALES AGREEMENT BETWEEN THE CITY OF PASADENA AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR THE LA PAZ SOLAR TOWER PROJECT

PURPOSES OF THE ORDINANCE:

The City Council directed the preparation of this Ordinance on December 6, 2010. The proposed ordinance will help Pasadena meet its renewable energy goals and state law requirements for greenhouse gas emissions by electricity generators, as further described in the agenda report dated December 6, 2010.

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. Since this project may involve the exercise of an

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option to buy the facility using financing bonds, counsel for SCPA has advised each city participant to adopt this agreement by ordinance in order to satisfy the requirements of section 54241.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

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


FISCAL IMPACT:

In the December 6, 2010 agenda report, the Water and Power Department estimates that, once the facility is operational (in FY 2015), an average of \$1.1 million per year or \$0.0008 per KWh will be added to the retail energy cost in the first five years of operations. During this period the monthly bill of a typical residential customer using 500 KWh per month will increase by an average of \$0.40 per month, from \$83.95 to \$84.35. After the twelfth year of operation, the department projects the market energy price to exceed the agreement price for every year thereafter, making the net cost of the agreement insignificant over the remaining 30-year contract period.


POLICY CHANGES:

This ordinance does not result in any policy changes.

Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Scott D. Rasmussen
Assistant City Attorney

Introduced by _____

ORDINANCE NO. _____

AN UNCODIFIED ORDINANCE OF THE COUNCIL OF THE CITY OF PASADENA APPROVING THE POWER SALES AGREEMENT BETWEEN THE CITY OF PASADENA AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR THE LA PAZ SOLAR TOWER PROJECT

The People of the City of Pasadena ordain as follows:

SECTION 1. The City Council of the City of Pasadena hereby approves the Power Sales Agreement, including all Appendices and attachments thereto, between the City and the Southern California Public Power Authority with respect to the La Paz Solar Tower Project.

SECTION 2. The City Manager is hereby authorized to execute and deliver the Power Sales Agreement, with such changes, insertions and omissions as shall be approved by the City Manager (such approval to be conclusively evidenced by such execution), and the City Clerk is hereby authorized to attest to such execution.

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 and things necessary or advisable for carrying out the responsibilities and transactions under the Power Sales Agreement as contemplated by this ordinance, which shall include, without limitation, (i)

authorization for the City Manager to direct the representative of the City appointed to the Project Coordinating Committee to approve adjustments of the Project capacity to be purchased by the City as provided for under the Power Sales Agreement, and (ii) authorization to execute and deliver any agreements, documents and instruments necessary to carry out the City's participation and responsibilities under the Power Sales Agreement.

SECTION 4. If any part of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this ordinance, and the City Council hereby declares that it would have passed the remainder of this ordinance if such invalid portion thereof were deleted.

SECTION 5. 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.

SECTION 6. The City Clerk shall certify to the adoption of this ordinance and shall cause this ordinance to be published in full text.

SECTION 7. This ordinance shall not be codified.

SECTION 8. This ordinance shall take effect upon its publication.

Signed and approved this _____ day of _____, 2011.

William Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the
City Council at its meeting held _____, 2011, by
the following vote:

AYES:


NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Scott D. Rasmussen
Assistant City Attorney