

RESOLUTION NO. 2013-018

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AUTHORIZING THE RE-CREATION OF A COLLABORATIVE PROGRAM TO PERFORM RESEARCH, DEVELOPMENT AND DEMONSTRATION (RD&D) OF EMERGING ELECTRIC TECHNOLOGIES FOR THE BENEFIT OF MEMBERS AND PROVIDING FOR ADDITIONAL CONTRIBUTIONS TO THE AUTHORITY'S REVOLVING GENERAL FUND, AND TAKING CERTAIN RELATED ACTION (RESTRUCTURING)

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") owns interests in various generation and transmission projects, the output of which has been sold to Members of the Authority (Members); and

WHEREAS, certain SCPPA member utilities ("Members") are engaged in the generation, transmission, and distribution of electrical energy to retail customers, including assisting such customers with the efficient use of said energy; and

WHEREAS, certain Members have a desire to engage in the demonstration of emerging electrical technologies as part of their respective Public Benefits Programs; and

WHEREAS, the Public Benefits Committee is well qualified to provide administration of a Program to facilitate the research, development and demonstration (RD&D) of equipment and technologies that satisfy this desire ("RD&D Program"); and

WHEREAS, the Authority is willing and able to (i) authorize the Public Benefits Committee to administer such an RD&D Program pursuant the Program Overview and Guidelines, as attached hereto, made part of and incorporated to this Resolution; and (ii) bill all related expenses and costs to the Members participating in the Program; and

WHEREAS, the Board of Directors of Authority, in its Resolution No. 1990-15, established a revolving general fund (the General Fund) for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-2, provided for a separate bank account (the Joint Planning Account) to hold and disburse the additional contributions to the General Fund with respect to joint planning matters; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account; and

WHEREAS, the Board of Directors of the Authority wishes to provide for additional contributions to the General Fund, and certain Members of the Authority are willing to make such additional contributions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Authority is authorized and directed to bill Members of the Authority participating in the RD&D Program, in the amount that each Member agrees to participate, in writing.
2. The Board of Directors hereby provides for additional contributions to the General Fund. Notwithstanding anything to the contrary in Resolution No. 1992-1, such additional contributions,
 - a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to the RD&D Program, and pending application for such purpose the contributions shall not be expended to pay costs or expenses properly allocable to one or more projects as provided in Section 3 of Resolution No. 1992-1;
 - b) shall be billed and collected by adding the amounts provided above to the Authority's Hoover Uprating Project billings to Anaheim (if applicable), and to the Authority's Palo Verde Project billings to the other applicable Members, with such amounts designated as "Resolution No. 2013-018 Charge."
3. Although the amounts to be contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for in a separate subaccount within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to establish a subaccount (the RD&D Program Subaccount) within the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.
4. Amounts contributed to and held in the General Fund and the RD&D Program Subaccount pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments

governing the external financing arrangements entered into from time to time by the Authority.

5. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.
6. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 21st day of March, 2013.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

ATTACHMENT 1

Southern California Public Power Authority Public Benefits Committee Collaborative Research, Development, and Demonstration Program

Background

The existing State-wide mandates on Public Benefits Program (PBP) implementation by Publicly-owned Utilities (POUs) allow for expenditures to support and fund the research, development and demonstration (RD&D) of emerging electric technologies. It is a long-held belief by the Southern California Public Power Authority (SCPPA) and its Member Utilities (Members) that comprehensive RD&D programs can be beneficial to utility operations and Members' customers.

Because of the potential additional value that can be achieved through the economies of scale related to RD&D Programs, SCPPA Members have previously worked together to sponsor and co-fund RD&D Programs related to nanotechnology and thermal energy storage demonstration. This effort was deemed to be valuable and productive. It was also agreed by Public Benefits Committee (PBC) Members that these Programs could not have been funded or supported by any one singular Utility (except maybe LADWP).

Based on this precedent and continuing pressure from legislators, alternative resource developers and environmental interest groups to insure all utilities are pursuing new technologies; the PBC is proposing to re-establish the collaborative RD&D Program for SCPPA Members. The proposed practices, procedures and protocols for the development and implementation of his RD&D Program are presented below.

Participation

All Members of the PBC will be required to participate in the collaborative RD&D Program. Each Member will be allowed to select their respective contribution and provision to the RD&D fund, at their sole discretion and irrespective of any other Members' contribution. Such contributions will typically be made at or near the beginning of the respective Members' fiscal year for budgetary planning considerations. Concessions and discretionary allowances for contributions can be made by the PBC on an as needed basis. All contributions to the RD&D fund will be placed in a specific account that is maintained by SCPPA solely for the purpose of funding specified RD&D Programs or Projects.

Southern California Public Power Authority
Public Benefits Committee
Collaborative Research, Development, and Demonstration Program

Use of Funds

The Public Benefits Committee (PBC) will create an RD&D sub-Committee comprised of up to five (5) Participating Members and SCPPA's Director of Program Development. This sub-Committee will be responsible for the review and consideration of any and all RD&D Programs or Projects that are brought before SCPPA and/or the PBC. Such review shall consider multi-disciplinary issues including but not limited to: the nature, intent and status of the RD&D Program or Project, the potential benefits to Participants and SCPPA as a whole, as well as the related cost exposure for Participants. The emerging electric technologies to be considered would include those that are not commercially available but are considered ready for demonstration and testing of broad-based application on a utility scale. Further, technologies that are viable and valuable in multiple climate zones for SCPPA Members will typically receive higher consideration than others. Based on these assessments and the availability of RD&D funds to support said RD&D effort(s), the sub-Committee will make recommendations to proceed or not to proceed with the Project(s) for the PBC's approval and/or authorization.

If at any time the sub-Committee determines that an RD&D Program or Project is viable and chooses to recommend pursuing such but the RD&D Fund does not contain sufficient funding to support the Program, the PBC can request supplemental participation and funding from all PBC Members, regardless of previous Participation elections or Contribution amounts.

The RD&D sub-Committee will be responsible for all RD&D Program specifications including program design, development, implementation, completion and receipt of all required deliverables associated with the Program.

Program & Sub-Committee Longevity

The effectiveness of the RD&D Program, including but not limited to the sub-Committee structure and associated Member participation elections and funding contributions will be evaluated in the first quarter of each calendar year. If at any time a motion is made by one or more SCPPA Members to terminate the existence or change the function of the RD&D Fund, each Member of the PBC shall be allocated one vote per Utility and the outcome of the vote will be decided on a simple majority basis (i.e., one more vote than ½ the number of votes cast).