



# 5<sup>th</sup> Amendment to the CRA District-Edison 1987 Service and Interchange Agreement

Engineering and Operations Committee

Item 8-7

October 13, 2014

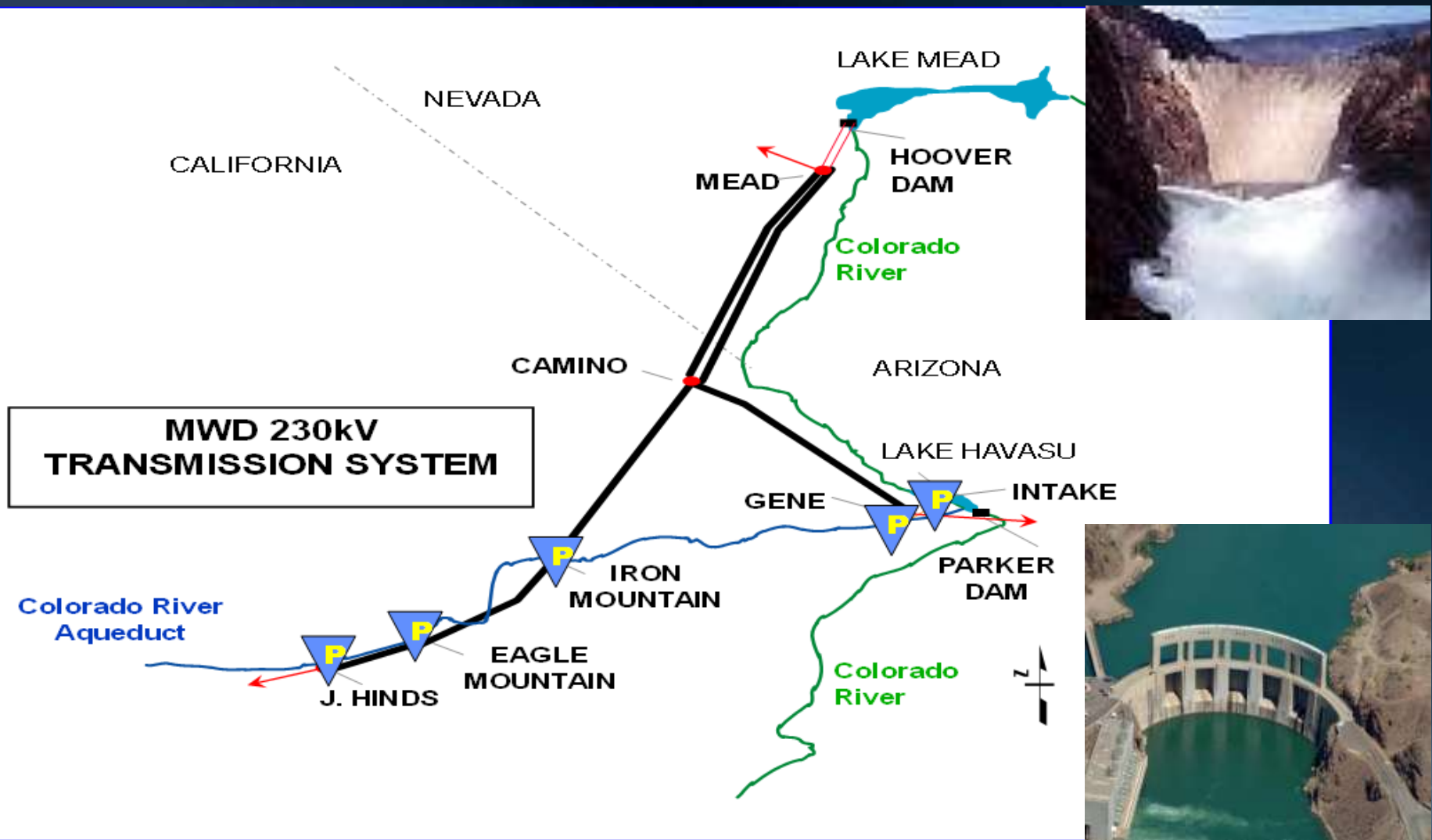
# Current Action

- Authorize the General Manager to execute the 5th Amendment to the District – Edison Service and Interchange Agreement

# Benefits

- Increases flexibility in acquiring energy for CRA operations
- Improves reliability by providing a new supplier and location for supplemental energy
- Purchases from Edison will reduce Metropolitan's Cap and Trade Greenhouse Gas mitigation obligations
- Potential energy cost savings

# CRA Electrical System



# CRA Energy Resources

- Federal hydropower from the Hoover and Parker Power plants
- Supplemental energy purchased outside of California and imported at Mead
- Certain energy transactions provided by Edison under the District – Edison Service and Interchange Agreement

# District-Edison 1987 Service and Interchange Agreement

The original 1987 Agreement provided for:

- The integration of the two electrical systems
- The sharing of resources
- Several types of energy transactions, including purchasing energy from Edison

# Suspension of Purchasing Energy from Edison

- Energy crisis of 2000/01
- Energy market redesign
- Eliminated the ability to determine an hourly cost of energy from Edison
- Resulted in a suspension of Metropolitan's ability to purchase energy from Edison (2001)

# 5<sup>th</sup> Amendment

- Reinstates the ability to purchase energy from Edison for our CRA operations
- Utilizes a published hourly price index from the California Independent System Operator to be used to set the price of the energy
- Any energy acquired from Edison will be considered an “in-state” purchase, therefore no Greenhouse Gas (GHG) issues

# Board Options

- Option # 1
  - Adopt CEQA determination that the proposed action is not subject to CEQA, and
  - Authorize the General Manager to sign the 5<sup>th</sup> Amendment to the District-Edison 1987 Service and Interchange Agreement
- Option # 2
  - Take no action

# Staff Recommendation

- Option # 1

