

*Arts & Innovation*

Utility Services/Land  
Use/Energy  
Development  
Committee Meeting

August 18, 2016

## Hoover Electric Service Contract and Amended and Restated Implementation Agreement



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## Hoover Dam



1. Located in the Black Canyon of the Colorado River near Boulder City, NV
2. The second tallest dam in the U.S. at 726 feet.
3. Impounds Lake Mead (largest Reservoir in the U.S.) and crosses the Nevada-Arizona State border.

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# Legislative History

## Boulder Canyon Project Act of 1928 (1937-1987)

1. Authorized Dam and Power plant construction
2. Construction period for 11 generators (1931 through 1939)
3. Operated and maintained by SCE and LADWP



COMMENCEMENT OF CONSTRUCTION 1931    FIRST CONCRETE POURING 1933    THE DAM HALF COMPLETED 1934    BOULDER DAM TODAY 1936

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# Legislative History



## Hoover Power Plant Act of 1984 (1987-2017)

1. 30 year life extension (1987 – 2017)
2. Uprating Program – additional 503 MWs
3. Riverside's entitled - 32 MWs
4. U.S. Bureau of Reclamation (BOR) operates;
5. Department of Energy Western Area Power Authority (Western or WAPA) markets the power



8 of the 17 hydroelectric generators at the Hoover Plant

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# Legislative History

## Hoover Power Allocation Act of 2011 (2017-2067)

1. President Obama signed into law
2. 50 year life extension (2017 – 2067)
3. Existing contractors contribute 5%
4. New 5% pool - remarketed by Western
5. Riverside's entitlement - ~ 30 MWs



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# Amended and Restated Agreements

## Electric Service Contract (ESC)

1. Governs plant operations post 2017
2. 46 contractors

***Provides an option -- but not an obligation -- to Riverside to participate over the fifty-year term, under terms offered by Western.***

## Implementation Agreement

1. Supplements ESC
2. Establishes administrative, budgetary, and project oversight
3. Creates project committees and processes for decision making

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## Key Terms of the ESC and IA Agreements

1. Contract effective 10/1/2017 – 9/30/2067
2. Terms substantially similar to existing ESC
3. Riverside's entitlement - ~ 30MW (1.461% of total project)
4. Riverside entitled to all environmental attributes
5. Price remains cost effective – initial price ~\$36/MWh

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## Key Terms of the ESC and IA Agreements (Cont'd)

6. Contracts offered as-is
7. Participant MUST execute by 10/1/2016
8. Working Capital funded by existing contractors (including Riverside) and will be reimbursed by contractors participating in the extension (including Riverside)

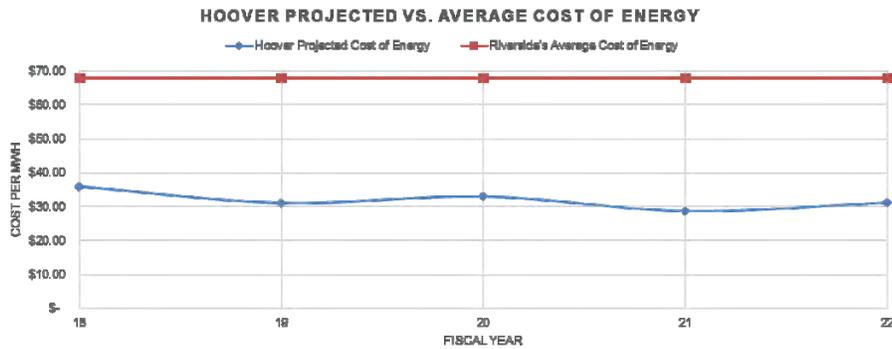
No negative impacts on Riverside's carbon footprint or its GHG obligations under California's Cap-and-Trade regulations

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# Cost of Energy



The capital costs for construction were financed with debt that has been paid off; the costs for operations and repairs/maintenance are expected to be low.

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# Recommendation

That the Utility Services/Land Use/Energy Development Committee recommend that the City Council:

1. Approve the Electric Service Contract between Western Power Administration and Riverside to continue the electric service from Hoover Dam from October 1, 2017 through September 30, 2067;
2. Approve the Amended and Restated Implementation Agreement amongst Western, Reclamation and Riverside;
3. Authorize the City Manager or his designee, to execute any documents necessary to administer the Electric Service Contract and the Amended and Restated Implementation Agreement;
4. Authorize the City Manager or his designee, to terminate the contract for circumstance provided in the agreement

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# Questions?



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