

WHEREAS, the Los Angeles Department of Water and Power (LADWP), a neighboring balancing authority area to the California Independent System Operator (CAISO), a California non-profit public benefit corporation, desires to participate and has been an active stakeholder in the development of CAISO's Extended Day-Ahead Market (EDAM); and

WHEREAS, the EDAM is a voluntary day-ahead electricity market designed to deliver significant economic, environmental, and reliability benefits to balancing authority areas and utilities throughout the Western Interconnection (West), which builds on the success and benefits of CAISO's Western Energy Imbalance Market (WEIM); and

WHEREAS, on March 21, 2017, per Resolution 017 190, the Board of Water and Power Commissioners (Board) approved LADWP taking first steps toward voluntary participation in the WEIM and LADWP has been a voluntary participant of WEIM since officially joining on April 1, 2021; and

WHEREAS, on February 13, 2024, per Resolution 024 122, the Board approved LADWP taking first steps toward voluntary participation in the EDAM; and

WHEREAS, WEIM now includes 22 entities making up nearly 80 percent of the demand for electricity in the West with over \$5.85 billion (through July 2024) in gross benefits and avoided costs, per CAISO, since market inception; and

WHEREAS, since its April 1, 2021, entry into WEIM, LADWP's estimated net benefits exceed \$123 million (through July 2024); and

WHEREAS, WEIM benefits have resulted in better integration of renewable energy, reduction of greenhouse gas emissions, and cost savings through more economical dispatches, which benefits are anticipated to increase in EDAM; and

WHEREAS, LADWP believes it is in its best interest to pursue participation in EDAM, building on the success of WEIM and preserving its benefits, in conjunction with additional, substantial anticipated EDAM benefits, providing more reliability, environmental benefits, and additional potential net revenues ranging from \$20 million to \$59 million per year; and

WHEREAS, CAISO submitted its EDAM tariff filing to the Federal Energy Regulatory Commission (FERC) on August 22, 2023, and FERC accepted CAISO's tariff changes on December 20, 2023, and subsequent tariff revisions on June 12, 2024, enabling CAISO to move forward with launching a fully operational EDAM by 2026; and

WHEREAS, to move forward in the process of becoming a voluntary participating EDAM entity, LADWP needs to enter into an EDAM Entity Implementation Agreement with CAISO, DWP No. 024-122 (Agreement); and

WHEREAS, the Agreement establishes the terms and conditions to integrate LADWP's electric system into the CAISO EDAM as a participating EDAM entity; and

WHEREAS having LADWP in the Day-Ahead Market as an EDAM entity requires the CAISO to incur costs to set up its business and software systems on behalf of LADWP; and

WHEREAS, the timeline for the implementation process is estimated to take a minimum of 30 months, with a target of May 1, 2027 entry into EDAM, which date may be extended up to five years from effective date of the Agreement; and

WHEREAS, this Agreement shall terminate upon the completion of the implementation process or at the request of either or both parties, unless either party seeks to terminate it earlier in accordance with the terms of the Agreement; and

WHEREAS, the initial estimated implementation cost to LADWP is approximately \$3.3 million including a ten percent contingency, that will be disbursed based on incremental deposits to CAISO pursuant to the Agreement and the CAISO tariff; and

WHEREAS, any difference between the deposits made toward the implementation of LADWP into EDAM and associated administrative costs, and the actual cost of the implementation of LADWP shall be paid by or refunded to LADWP in accordance with the Agreement.

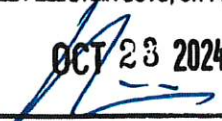
NOW, THEREFORE, BE IT RESOLVED that the Agreement by and between LADWP and CAISO, now on file with the Secretary of the Board and approved as to form and legality by the City Attorney, be and the same is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP upon proper certification is authorized and directed to draw demands on the Power Revenue Fund, over the term of the Agreement, in payment of the obligations incurred by the Agreement.

BE IT FURTHER RESOLVED that the President or Vice President, the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute the Agreement for and on behalf of LADWP.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

APPROVED AS TO FORM AND LEGALITY  
HYDEE FELDSTEIN SOTO, CITY ATTORNEY

OCT 23 2024  
BY   
VAUGHN MINASSIAN  
DEPUTY CITY ATTORNEY

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Secretary