

RESOLUTION NO. _____

WHEREAS, Electric Rate Ordinance No. 184133 (Incremental Electric Rate Ordinance) allows the Department of Water and Power of the City of Los Angeles (Department) to defer revenue in each fiscal year up to the revenue from wholesale generation and transmission, excluding the difference between actual and budgeted net wholesale revenue, and net gain on asset sales during the fiscal year and such that the balance of the Incremental Rate Stabilization Account does not exceed the Incremental Rate Stabilization Target; and

WHEREAS, use of the Incremental Electric Rate Ordinance's Incremental Rate Stabilization Account promotes financial stability and aims to provide a mechanism to maintain sufficient net income in case of any unplanned events; and

WHEREAS, Board of Water and Power Commissioners (Board) Resolution No. 018-057 set the Incremental Rate Stabilization Account target at \$100 million; and

WHEREAS, Board Resolution No. 021-096 subsequently set the Incremental Rate Stabilization Account target at \$140 million; and

WHEREAS, Board Resolution No. 022-070 subsequently set the Incremental Rate Stabilization Account target at \$180 million; and

WHEREAS, the Department has determined it is appropriate to increase the Incremental Rate Stabilization Account target in consideration of the Department's expected financial needs, including those associated with a zero-carbon energy goal and continued improvement of infrastructure to maintain reliability, among other considerations.

NOW, THEREFORE, BE IT RESOLVED that the Incremental Rate Stabilization Target of the Incremental Electric Rate Ordinance is set at \$220 million.

BE IT FURTHER RESOLVED that the Chief Financial Officer of the Department, or his designee, is authorized and directed to reduce Sales for Resale by the Power System in the Fiscal Year 2023-2024 financial reporting period to increase the Incremental Rate Stabilization Account balance from \$180 million to \$220 million.

BE IT FURTHER RESOLVED that the Chief Financial Officer of the Department, or his designee, is authorized and directed to restrict \$40 million of unrestricted cash to fund the Incremental Rate Stabilization Account so that the ending balance is \$220 million.

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

Secretary

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

SEP 18 2024

BY



BRIAN E. STEWART
DEPUTY CITY ATTORNEY