




RESOLUTION NO. _____

BOARD LETTER APPROVAL


David Hanson (Mar 24, 2025 09:24 PDT)

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Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: March 12, 2025

SUBJECT: Castaic Power Plant Units 1 through 6 Stator Replacement Project
Resolution for an Ordinance Requesting the Establishment of the
Alternative Project Delivery Criteria

SUMMARY

The Power System requests the approval of the attached Resolution recommending the proposed Ordinance requesting the Los Angeles City Council (City Council) to establish an Engineer-Procure-Construct (EPC) contract for the Castaic Power Plant Units 1 through 6 Stator Replacement Project (Project). This will permit negotiations relating to engineering, procurement, and construction of the Project based on criteria established by the Ordinance. The Ordinance will authorize a term not to exceed eight years for the contract.

Pursuant to a competitive-sealed proposal method, EPC criteria adopted by the Ordinance will permit an award to a bidder specialized in the design, procurement, and construction of hydroelectric generator stators, generator coolers, and generator condition monitoring systems. The competitive-sealed proposal method, per Los Angeles City Charter (City Charter) Section 371(b), permits negotiations after proposals have been opened to allow clarifications and changes. Per City Charter Section 371(a) and Los Angeles Administrative Code §10.25, the Local Business Preference Program will apply. The extended contract term is necessary to address the scale of the Project, logistics and Project complexities, and the lengthy duration to fabricate major components.

The approach will be to advertise one Request for Proposal (RFP) with one agreement which will be awarded in whole or in part at LADWP's discretion. The contract will be for materials and services to design and replace up to six generator stator cores, windings and frames, spare parts, generator cooler equipment, and generator ancillaries at the Castaic Power Plant. The services include, but are not limited to, the redesign of the

existing stators, generator cooling equipment, and ancillaries, material procurement, and construction services. This also includes the option of disassembly and reassembly of the generators.

City Council approval is required, by Ordinance, per City Charter Sections 371(b), 373, and 674.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of an Ordinance authorizing the use of the competitive-sealed proposal method to let a contract not to exceed eight years in length as required in City Charter Sections 371(b), 373, and 674.

ALTERNATIVES CONSIDERED

No viable alternatives are available.

The status quo alternative is to leave the system as it currently remains and perform repairs as the stators fail. However, running the units to failure can result in damage to other equipment, unplanned loss of generation, and unexpected prolonged forced outages. This, in turn, will significantly impact LADWP's ability to supply reliable power to its customers. In total, the generating capacity of the Castaic Power Plant can supply over 1.2 million households and businesses.

LADWP has insufficient personnel available to complete the replacement of the generator stators within the outage period and does not have employees with the expertise needed to design and manufacture the replacement stators. Therefore, it is not feasible to effectively complete the Project utilizing 100 percent of LADWP personnel.

This Project requires an immense amount of professional personnel with experience designing, manufacturing, and installing generator stators necessary to ensure the safe, timely, and satisfactory completion of the Project.

The proposed EPC contract through an RFP allows LADWP the opportunity to review and evaluate the submitted proposals, taking into consideration a firm's financial and resource capabilities and relevant experiences. The RFP process will allow LADWP to choose from a pool of qualified and experienced firms, specialized in the design and construction of generator stators.

FINANCIAL INFORMATION

The total estimated cost for the proposed contract is \$120 million (budgeted).

BACKGROUND

As a pump-hydro energy storage facility, the Castaic Power Plant has been identified in LADWP's 2017 Integrated Resource Plan and the 2021 LA100 Study as a critical generation asset. Not only does the facility support day-to-day energy demands for the City of Los Angeles, it is also used to respond to high-peak demands during heatwaves and energy imbalances of the electrical grid. In recent years, Castaic Power Plant generator stators have experienced overheating and stator core damage, which has caused Unit 5 to be in a long-term outage, and Unit 6 to operate at limited generation capacity. Units 2 and 3 are also showing preliminary signs of overheating and stator core issues. The purpose of this Project is to address the root causes of the issues and improve the reliability of the units by redesigning and replacing the stators, prevent the reoccurrence of existing stator issues, avoid forced outages and unnecessary costly repairs, and ensure the reliability of the Castaic Power Plant.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on October 2, 2024.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301(b) and 15302(c). In accordance with these sections, the replacement of the Castaic Power Plant stators is categorically exempt pursuant to Class 1 (b) as described in CEQA Guidelines Section 15301. This exemption applies to the repair, maintenance, or minor alteration of existing facilities used to provide public utility services. In addition, the replacement of the stators is exempt pursuant to the Class 2 as described in CEQA Guidelines Section 15302(c). This exemption applies to the replacement or reconstruction of existing utility systems and/or facilities on the same site and involving negligible or no expansion of capacity.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and the Ordinance as to form and legality.

ATTACHMENTS

- Resolution
- Ordinance (draft)
- CAO Report