

STAFF REPORT
Lancaster Power Authority

PA NB 1
09/13/11
MVB

Date: September 13, 2011

To: Chairman Parris and Power Authority Members

From: Jason Caudle, Deputy City Manager

Subject: **Development Agreement with Critical Path Transmission, LLC, to Construct an Electric Transmission Line**

Recommendation:

Approve a Development Agreement with Critical Path Transmission, LLC (Critical Path), to work cooperatively to construct an electric transmission line in the Antelope Valley, in northern Los Angeles County, and southern Kern County. Authorize the Executive Director to execute all documents, and to make any non-substantive changes necessary to complete the transaction.

Fiscal Impact:

This Agreement does not obligate the Lancaster Power Authority (LPA) to financial outlay. Critical Path will place an initial deposit of \$50,000.00 to reimburse the LPA for actual staff time, contracted services, and share in the revenues that may derive from transmission line operations.

Background:

On July 12, 2011, the LPA approved Confidentiality and Reimbursement Agreements with Critical Path for the construction of the "Clearview Transmission Line." The idea had its genesis in the realization that several large solar generating initiatives are currently underway and more are most certainly to be constructed as the LPA strives to become the Alternative Energy Capital of the World. Clearview is defined as a California Independent System Operator (CAISO) network upgrade that enhances Edwards Air Force Base (Edwards AFB) readiness and makes vast amounts of alternative energy available to all of Southern California. Clearview is a proposed 40-mile underground transmission line that connects a Southern California Edison substation on Edwards AFB to the Vincent-Lugo line near Highway 138, allowing alternative energy generation companies in the City of Lancaster, the Antelope Valley, portions of Kern County, and Edwards AFB to connect to the electrical grid.

The concept proposes that the LPA and Critical Path will work together to develop the Clearview Transmission Line. The LPA will provide its network of political support promoting the benefits of the project; facilitate the development of an alliance seeking support of the project from Los Angeles County, Kern County and Edwards AFB officials and others; submit the project to the US Department of Defense/Edwards AFB under the City's Joint Powers Authority – LPA; assist in routing the project through the environmental process; and provide site control, permitting assistance and other utility services for the transmission line.

Critical Path, with the LPA's assistance and guidance, will dedicate resources to work with public and private utilities, governmental and quasi-governmental entities to expedite design, permitting, construction, and the commissioning of the transmission line. Critical Path will reimburse the LPA for cost of said services provided and encourage participants connecting into the transmission line to open offices, manufacturing, assembly and repair facilities within the City. The LPA will share in the financial returns of the Clearview Transmission Line.

Attachments:

Project Map

Development Agreement

CJL:lcs