



1909 K Street, N.W.
Suite 600
Washington, D.C. 20006

202 585 6900 main
202 585 6969 fax
thompsoncoburn.com

C. Jonathan Benner
202 585 6985 direct
jbenner@thompsoncoburn.com

March 25, 2021

VIA ELECTRONIC MAIL

Anne Haley, Esquire
Assistant City Attorney
Office of the City Attorney
City of Los Angeles
200 North Main Street
8th Floor, City Hall East
Los Angeles, California 90012-4130

Re: Agreement for Professional Legal Services Between City of Los Angeles and Thompson Coburn LLP 2021-2024: Identification of Actual or Potential Conflicts and Request for Waiver

Dear Ms. Haley:

I write to request a conflict waiver in the event that the City of Los Angeles ("The City") engages Thompson Coburn to provide legal services to the Harbor Department pursuant to the above-referenced Agreement.

As previously identified in my letter of February 15, 2018 under the predecessor Agreement, Thompson Coburn provides ongoing representation to the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (the "Six Cities") in matters related to California state and federal energy regulatory matters.

Our representation of the Six Cities involves stakeholder processes conducted by the California Independent System Operator Corporation ("CAISO"), including (but not limited to) stakeholder processes related to the Energy Imbalance Market ("EIM") administered by the CAISO, and the potential expansion and/or modification of the CAISO and EIM markets. These proceedings may entail changes to the CAISO and EIM governing documents and the CAISO's Open Access Transmission Tariff ("OATT"), Business Practice Manuals ("BPMs"), operating procedures, and/or standards, guidelines, *pro forma* and non-conforming agreements, and practices of the CAISO related to the administration of and the rates, terms, and conditions for participation in its energy and related markets and obtaining transmission and other services from the CAISO, as well as the cost allocation among market participants for the same. Our representation includes review and analysis of, providing advice regarding, and preparation and submittal of documents such as stakeholder comments and proposed tariff and/or BPM language to the CAISO and conducting discussions and engaging in advocacy with representatives of the CAISO, including CAISO staff, management, counsel, and governing authorities (including both the CAISO Board of Governors and the EIM Governing Body), both

Transmittal 1

March 25, 2021

Page 2

during public meetings and in non-public discussions, related to energy market design and transmission and wheeling services, and the rates, terms, and conditions of CAISO service.

Our representation of the Six Cities may involve any or all of the following non-exhaustive list of subjects:

- Access to the CAISO controlled grid
- Roles and responsibilities of market participants
- Black start and system restoration
- Communications practices
- System operations
- Ancillary services
- Outages
- Metering
- Settlements and billing
- Creditworthiness
- Dispute resolution
- Uncontrollable force, indemnity, liabilities, and penalties
- Existing contracts
- Confidentiality
- Categories of transmission capacity
- Transmission planning
- Interconnections of generating units and facilities
- Transmission rates and charges (including wheeling rates)
- Markets and processes
- Inter-Scheduling coordinator trades
- Energy Imbalance Market
- Bid and self-scheduling submission
- Day Ahead Market
- Real Time Market
- Market validation and price correction, including topics such as price formation and scarcity pricing
- Congestion revenue rights
- Rules of conduct
- Market monitoring
- Market power mitigation
- Resource adequacy
- Reliability must run resources
- Adequacy of facilities to meet applicable reliability criteria
- Capacity procurement mechanism
- Flexible ramping product

Our representation may include the exchange of communications and engaging in dialogue and advocacy with representatives for other market participants regarding positions on relevant CAISO and EIM proceedings.

Thompson Coburn attorneys appear on behalf of the Six Cities in administrative proceedings (primarily before the Federal Energy Regulatory Commission ("FERC") and, at times, before California regulatory authorities), and in related court proceedings. The subject matter of such

proceedings may relate to any of the above topics or other topics pertaining to the CAISO's energy markets and transmission and wheeling service and the rates, terms, and conditions of CAISO service.

Thompson Coburn attorneys provide ongoing representation to the Six Cities in connection with their individual and joint interests in transmission and generation facilities and entitlement interests. This representation includes the interests of the Cities of Anaheim, Pasadena, and Riverside (the "APR Cities") in the Intermountain Power Plant ("IPP") pursuant to the Power Sales Contracts, the Excess Power Sales Agreement among certain of the IPP Participants, and all other contracts, agreements, and documents, including financing documents and resolutions, pertaining to IPP. It also involves or may involve analysis of, providing legal advice regarding, and engaging in advocacy related to the APR Cities' respective roles on the IPP Coordinating Committee, and their interactions with the IPP Renewal Contract Coordinating Committee, the California Purchasers from IPP, the Utah Cooperative Purchasers from IPP, the Utah Municipal Purchasers from IPP, the Los Angeles Department of Water and Power ("LADWP") in its capacity as the Operating Agent and Project Manager, and staff, management, and the Board of Directors of the Intermountain Power Authority, including legal representatives and third party consultants engaged to provide services for any of the foregoing entities related to IPP. The subject matter of such activities may include, but is not limited to, cost recovery and cost allocation as among IPP Participants; financing; governance; contractual review, analysis, and negotiation; capital investment; and operations and maintenance, and it may include all matters related to that certain project referred to as "IPP Renewed," which consists of the retirement of the existing coal-fueled units at the IPP site; installation of new natural gas-fueled electricity generating units; related upgrades and reconfiguration of the Southern Transmission System ("STS"); and deployment of hydrogen fuel technologies and long-term storage capabilities. It expressly includes matters related to the cost allocation and recovery for and financing of IPP Renewed, and the rates, terms, and conditions applicable to the APR Cities' interests in and exit from IPP and IPP Renewed, such as, for example, commissioning and decommissioning costs and the allocation and recovery of the same.

Our representation of the Six Cities includes matters involving the Six Cities' interests in transmission facilities, including with respect to transmission service rights on the STS, the Northern Transmission System, and the LADWP transmission system (the latter of which are set forth in various agreements as among members of the Six Cities group and LADWP), the Pacific Direct Current Intertie, transmission facilities developed through the Southern California Public Power Authority ("SCPPA"), such as the Mead-Phoenix and Mead-Adelanto transmission projects, and any other transmission and generation projects developed through the SCPPA. Our representation includes legal and regulatory advice, preparation of filings and other documentary submittals, cost analysis, and participation in CAISO and FERC proceedings related to the Six Cities' recovery, in their respective capacities as Participating Transmission Owners in the CAISO, of their Transmission Revenue Requirements, including cost recovery for the above-named transmission facilities and entitlements.

Some positions that Thompson Coburn advocates on behalf of the Six Cities at times may be inconsistent or not congruent with positions advocated by LADWP and may be considered in some circumstances to be adverse to LADWP.

March 25, 2021
Page 4

We request that The City consent to these ongoing representations of the Six Cities in matters that may create conflicts as described above, waiving the conflict of interest that may arise in connection with these matters.

We cannot provide advice about whether to consent to this representation and provide the requested waiver. But in considering this waiver request in consultation with independent counsel, you can be assured that Thompson Coburn will have different attorneys representing The City than are working on matters for the Six Cities. We also commit to not sharing information about our representation of The City with the attorneys working on matters for the Six Cities.

If you wish to proceed with Thompson Coburn's representation of The City under these circumstances, waiving the conflict of interest, you may respond to me by email. Alternatively, if you proceed with the engagement of Thompson Coburn, we will consider that to be The City's consent to the representations described here and waiver of any resulting conflicts as described above.

Yours very truly,

Thompson Coburn LLP

A handwritten signature in black ink that reads "C. Jonathan Benner". The signature is written in a cursive style with a large, looping initial "C".

By
C. Jonathan Benner

10073976

¹ Signature electronically applied