

DOCKETED

Docket Number:	16-RPS-02
Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
TN #:	213391
Document Title:	331 City Council File 03-2688 - Treatment of Hydro Facilities in LADWP 2005 RPS Policy (10.12.04) (Bates Nos. LA001593-LA001601)
Description:	N/A
Filer:	Adriana Ayuso
Organization:	Los Angeles Department of Water and Power
Submitter Role:	Applicant
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Docketed Date:	8/31/2016

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

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HELEN GINSBURG
Chief, Council and Public Services Division

03-2688

October 12, 2004

Coalition for Clean Air
523 W. 6th Street, 10th Floor
Los Angeles, CA 90014

Councilmember Cardenas
Councilmember Garcetti
Office of the Mayor
Department of Water and Power
Board of Water and Power Commissioners
Attn: Barbara Moschos
City Attorney
City Administrative Officer
Chief Legislative Analyst
Controller, Room 300
Accounting Division F&A
Disbursement Division

PLACE IN FILES
OCT 15 2004
DEPUTY
LA 3 the Place

RE: INCLUSION OF HYDROELECTRIC GENERATING UNITS GREATER THAN 30 MEGAWATTS
IN SIZE AS PART OF THE CITY'S RENEWABLES PORTFOLIO STANDARD LIST OF
ELIGIBLE RESOURCES

At the meeting of the Council held October 5, 2004, the following action
was taken:

Motion adopted to approve Committee report recommendation, as amended.....	_____X_____
Amending motion (Cardenas - Garcetti) adopted.....	_____X_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Ordinance adopted.....	_____
Motion adopted to approve communication recommendation(s).....	_____

J. Michael Carey

City Clerk
jr

FF mll

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

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LA001593

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE
MINORITY REPORT

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u> </u>

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE MINORITY REPORT
relative to the inclusion of hydroelectric generating units greater than 30 megawatts in size
as part of the City's Renewables Portfolio Standard (RPS) list of eligible resources.

Recommendation for Council action:

APPROVE the inclusion of hydroelectric generating units greater than 30 megawatts in size,
excluding the Hoover hydroelectric plant, as part of the City's RPS list of eligible resources.

Fiscal Impact Statement: None submitted. Neither the City Administrative Officer nor the
Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Summary

At its July 13, 2004 meeting, your Committee heard a presentation from the Department of
Water and Power (DWP) relative to the inclusion of hydroelectric generating units greater than
30 megawatts in size as part of the City's RPS list of eligible resources. At present, the
State's RPS legislation (Senate Bill 1078/Senate Bill 1038), applicable only to investor-owned
utilities, defines eligible hydroelectric facilities as those equal to or less than 30 megawatts
(MW) in size. In its RPS report to Council dated December 5, 2003, the Chief Legislative
Analyst (CLA) proposed consideration of all hydro generation as eligible renewables
regardless of size.

In its July 13, 2004 report, the DWP recommended including the hydroelectric facilities located
along Aqueduct, some of which are 50 to 80 years old, as eligible for RPS consideration but
not the 491 MW Hoover hydroelectric plant. Given the fact that the Aqueduct facilities shared
the same water source, DWP cited the illogic of including some of these facilities as RPS-
eligible and not others merely because they exceeded the State's 30 MW threshold.
Moreover, DWP staff expressed concerns that excluding the Aqueduct facilities might
undermine future modernization of the plants. DWP reported that excluding Hoover will
require the utility to acquire an additional 2.8% of renewable electricity at an aggregate cost
of \$157 million through 2017 and approximately \$20 million per year thereafter. DWP further
advised that excluding the Aqueduct facilities greater than 30 MW including the 3 Gorge
Plants and Power Plant 1 will require providing about 1.2% of new renewables at a cost of up
to \$9 million per year.

After hearing public comments both for and against the proposal, your Committee continued the matter to August 10, 2004. The Committee also requested that the DWP report back with additional statistics/facts regarding the inclusion of Hoover. Based on the discussion, the question before your Committee was not whether hydroelectric power was a renewable resource, but rather whether the 75-year old Hoover facility should be excluded from the City's RPS portfolio by virtue of its size.

At its August 10, 2004 meeting, your Committee considered this matter a second time. At this meeting, the DWP submitted supplemental information, dated August 10, 2004, on the Hoover hydroelectric facility with emphasis on the cost impact to DWP's RPS program and in regards to other California municipalities' hydro eligibility consideration. In its supplemental information (attached to the Council file), the DWP reports that although State RPS legislation defines hydro as 30 megawatts or less, over 80% of all California municipal utilities that have an RPS policy defined all of their hydro electric facilities regardless of size as RPS eligible. Moreover, of those municipal utilities that own interests in Hoover, all of them counted their share toward their respective RPS goal. Additionally, DWP reported that there was no consistent eligibility definition for hydro among states possessing renewable portfolio standard programs. (Ten out of 21 states have no size limit; four states have a limit--less than 30, less than 60, less than 100, and low head; four states do not recognize hydro as renewables; three states use criteria other than size).

During the discussion of this item, the CLA provided a thorough overview of the cost and operational implications of including hydroelectric generating units greater than 30 megawatts in size as part of the City's Renewables Portfolio Standard list of eligible resources, including and excluding the Hoover hydroelectric plant, and recommended that the City include hydroelectric plants greater than 30 megawatts in size as part of the City's RPS list of eligible resources.

After hearing public comments for and against the inclusion of Hoover, Committee Chair Cárdenas voted not to include Hoover as part of the City's RPS list of eligible resources. However, Councilmembers Miscikowski and Hahn voted in favor of including Hoover as part of the City's RPS list of eligible resources. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE
MINORITY REPORT

MEMBER	VOTE
CARDENAS:	YES
HAHN:	NO
MISCIKOWSKI:	NO

MLE
09-13-04
#032688b



ADOPTED

OCT 05 2004
MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATION
LOS ANGELES CITY COUNCIL *AS AMENDED
SEE AMENDING MOTION ADOPTED

LA001595

MOTION

I MOVE that the COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE MINORITY REPORT (Cardenas) relative to the inclusion of hydroelectric generating units greater than 30 megawatts in size as part of the City's Renewables Portfolio Standard (RPS) list of eligible resources, Item 15 B on today's Council Agenda, CF 03-2688 BE AMENDED to change the recommendation of that report to read as follows:

APPROVE the inclusion of existing DWP hydroelectric generating units greater than 30 megawatts in size, excluding the Hoover hydroelectric plant, as part of the City's RPS list of eligible resources.

**AMENDING
MOTION*
ADOPTED

OCT 05 2004

LOS ANGELES CITY COUNCIL

PRESENTED BY:

Tony Cardenas
TONY CARDENAS
Councilman, 6th District

SECONDED BY:

E. G. H.

October 5, 2004

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TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE
MAJORITY REPORT

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u> </u>

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE MAJORITY REPORT
relative to the inclusion of hydroelectric generating units greater than 30 megawatts in size
as part of the City's Renewables Portfolio Standard (RPS) list of eligible resources.

Recommendation for Council action:

APPROVE the inclusion of hydroelectric generating units greater than 30 megawatts in size,
including the Hoover hydroelectric plant, as part of the City's RPS list of eligible resources.

Fiscal Impact Statement: None submitted. Neither the City Administrative Officer nor the
Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Summary

At its July 13, 2004 meeting, your Committee heard a presentation from the Department of
Water and Power (DWP) relative to the inclusion of hydroelectric generating units greater than
30 megawatts in size as part of the City's RPS list of eligible resources. At present, the
State's RPS legislation (Senate Bill 1078/Senate Bill 1038), applicable only to investor-owned
utilities, defines eligible hydroelectric facilities as those equal to or less than 30 megawatts
(MW) in size. In its RPS report to Council dated December 5, 2003, the Chief Legislative
Analyst (CLA) proposed consideration of all hydro generation as eligible renewables
regardless of size.

In its July 13, 2004 report, the DWP recommended including the hydroelectric facilities located
along Aqueduct, some of which are 50 to 80 years old, as eligible for RPS consideration but
not the 491 MW Hoover hydroelectric plant. Given the fact that the Aqueduct facilities shared
the same water source, DWP cited the illogic of including some of these facilities as RPS-
eligible and not others merely because they exceeded the State's 30 MW threshold.
Moreover, DWP staff expressed concerns that excluding the Aqueduct facilities might
undermine future modernization of the plants. DWP reported that excluding Hoover will
require the utility to acquire an additional 2.8% of renewable electricity at an aggregate cost
of \$157 million through 2017 and approximately \$20 million per year thereafter. DWP further
advised that excluding the Aqueduct facilities greater than 30 MW including the 3 Gorge
Plants and Power Plant 1 will require providing about 1.2% of new renewables at a cost of up
to \$9 million per year.

After hearing public comments both for and against the proposal, your Committee continued the matter to August 10, 2004. The Committee also requested that the DWP report back with additional statistics/facts regarding the inclusion of Hoover. Based on the discussion, the question before your Committee was not whether hydroelectric power was a renewable resource, but rather whether the 75-year old Hoover facility should be excluded from the City's RPS portfolio by virtue of its size.

At its August 10, 2004 meeting, your Committee considered this matter a second time. At this meeting, the DWP submitted supplemental information, dated August 10, 2004, on the Hoover hydroelectric facility with emphasis on the cost impact to DWP's RPS program and in regards to other California municipalities' hydro eligibility consideration. In its supplemental information (attached to the Council file), the DWP reports that although State RPS legislation defines hydro as 30 megawatts or less, over 80% of all California municipal utilities that have an RPS policy defined all of their hydro electric facilities regardless of size as RPS eligible. Moreover, of those municipal utilities that own interests in Hoover, all of them counted their share toward their respective RPS goal. Additionally, DWP reported that there was no consistent eligibility definition for hydro among states possessing renewable portfolio standard programs. (Ten out of 21 states have no size limit; four states have a limit--less than 30, less than 60, less than 100, and low head; four states do not recognize hydro as renewables; three states use criteria other than size).

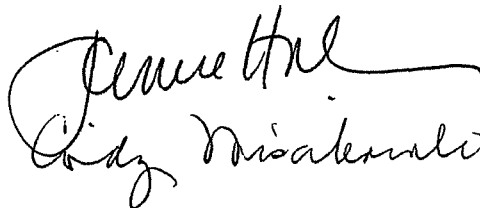
During the discussion of this item, the CLA provided a thorough overview of the cost and operational implications of including hydroelectric generating units greater than 30 megawatts in size as part of the City's Renewables Portfolio Standard list of eligible resources, including and excluding the Hoover hydroelectric plant, and recommended that the City include hydroelectric plants greater than 30 megawatts in size as part of the City's RPS list of eligible resources.

After hearing public comments for and against the inclusion of Hoover, Committee Chair Cárdenas voted not to include the Hoover hydroelectric plant as part of the City's RPS list of eligible resources. However, Councilmembers Miscikowski and Hahn voted in favor of including Hoover as part of the City's RPS list of eligible resources. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE
MAJORITY REPORT

MEMBER	VOTE
CARDENAS:	NO
HAHN:	YES
MISCIKOWSKI:	YES



MLE
09-13-04
#032688a

OCT 05 2004 - Received and Filed

LA001598

COUNCIL VOTE

Oct 5, 2004 12:06:30 PM, #11

ITEM NO. (15)
Adopt as Amended

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes No
LUDLOW	Yes
MISCIKOWSKI	No
PARKS	Yes
PERRY	Yes
REYES	Yes
*SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Yes
ZINE	Yes
PADILLA	Absent

Present: 14, Yes: ~~13~~ No: ~~1~~
12 2.

COUNCIL VOTE

Oct 5, 2004 12:06:03 PM, #10

ITEM NO. (15)

Question Whether to Substitute

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	No
LUDLOW	Yes
MISCIKOWSKI	No
PARKS	Yes
PERRY	Yes
REYES	Yes
*SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Yes
ZINE	Yes
PADILLA	Absent

Present: 14, Yes: 12 No: 2

COUNCIL VOTE

Oct 5, 2004 12:03:59 PM, #9

ITEM NO. (15)
Previous Question

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes
LUDLOW	Yes
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Yes
REYES	Yes
*SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Yes
ZINE	No
PADILLA	Absent

Present: 14, Yes: 13 No: 1