

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to the Los Angeles Department of Water and Power's (LADWP) membership in the United States Environmental Protection Agency (EPA) Sulfur Hexafluoride (SF6) Reduction Partnership for Electric Power Systems.

Recommendation for Council action, as initiated by Motion (Koretz - Huizar):

NOTE and FILE the April 23, 2014 LADWP report, inasmuch as this report is for information only and no Council action is required.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On November 5, 2014, your Committee considered an April 23, 2014 LADWP report in response to Motion (Koretz - Huizar) relative to the LADWP's membership in the EPA's SF6 Reduction Partnership for Electric Power Systems. According to the LADWP, SF6 is an inert gas that is used as an insulating medium in electrical circuit breakers and switchgear. SF6 gas insulated circuit breakers and switchgear are widely used in the electric utility industry because they are state-of-the-art technology that is more effective at quenching electrical arcs than oil filled circuit breakers, has a smaller equipment footprint which enables electric utilities to serve increasing electrical demand in densely populated areas without needing additional real estate, and reduces safety and environmental hazards associated with oil filled breakers. In addition, SF6 is currently the only technology available for high and medium voltage, larger capacity circuit breakers. Recently, SF6 has become regulated because it is a greenhouse gas (GHG) with a high global warming potential.

As a California electric utility, the LADWP is highly regulated and must comply with both federal and state mandatory GHG reporting requirements, including reporting of SF6 emissions. At the federal level, the LADWP is subject to the EPA Mandatory Reporting of Greenhouse Gases rule (40 CFR Part 98). Under Subpart DO of the EPA mandatory reporting rule, the LADWP as the operator of an electric power system is responsible for reporting emissions from SF6 gas insulated electrical transmission and distribution equipment within LADWP's operational control, including some equipment that is co-owned or owned by other entities.

The LADWP operates and maintains 5,314 electrical substations and hundreds of field switches scattered throughout LADWP's service territory. LADWP is also responsible for maintaining over 11,000 miles of distribution lines and 3,655 miles of transmission lines stretching from Los Angeles to the Owens Valley, the Nevada-Oregon border, as well as into Utah, Nevada, and Arizona. The LADWP maintains transmission and distribution equipment and facilities belonging to LADWP as well as other entities including Intermountain Power Agency, Southern California Edison, Burbank Water & Power, Glendale Water & Power, and Pasadena Water & Power.

As part of the EPA reporting requirements, the LADWP entered into a Greenhouse Gas Reporting Program Designated Representative Agreement with the other entities that co-own or own equipment within LADWP's operational control, which is included in the scope of LADWP's annual electric power system SF6 emissions report to EPA. This agreement was reviewed and approved by the Council earlier this year. Over the past fifteen years, the LADWP has been proactive in reducing SF6

emissions by implementing its own internal program to minimize SF6 emissions from gas insulated electrical equipment in its transmission and distribution system. The LADWP has already invested significant effort and resources to replace, repair and upgrade our SF6 gas insulated electrical equipment, and implemented a number of process improvements EPA SF6 Partnership accepts the annual SF6 emissions report submitted to EPA under the mandatory reporting rule. LADWP is currently subject to both federal and state mandatory GHG emission reporting requirements, which are equivalent to or more stringent than the reporting requirements under the voluntary EPA SF6 Partnership program.

Prior to becoming subject to the federal and state mandatory GHG reporting requirements, the LADWP participated in several voluntary GHG reporting programs including the United States Department of Energy, Energy Information Administration's Voluntary Reporting of Greenhouse Gases program [1605(b) program] from 1995 to 2005, and the California Climate Action Registry from 2002 to 2008 (LADWP was a charter member). From 2008 onward, LADWP has been subject to mandatory GHG emission reporting requirements which include reporting of SF6 emissions.

Currently, the LADWP is not participating in any voluntary GHG reporting programs due to the heavy burden to comply with the mandatory reporting requirements. including the purchase of SF6 gas processing carts and self-sealing hoses (used to reclaim gas and fill equipment) and special cameras used to detect SF6 gas leaks. The LADWP's internal SF6 emission reduction program has resulted in a low system-wide SF6 leak rate of approximately one to two percent per year under normal operating conditions. This voluntary effort to reduce SF6 emissions demonstrates the LADWP's commitment to environmental stewardship and places LADWP in a good position to comply with California's SF6 emission standard under the ARB SF6 Regulation. EPA's SF6 Emission Reduction Partnership for Electric Power Systems.

After consideration and having provided an opportunity for public comment, the Committee moved to note and file the April 23, 2014 LADWP report, inasmuch as this report is for information only and no Council action is required. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	YES
KORETZ:	YES

ARL

11/5/14

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

