

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Los Angeles Department of Water and Power (LADWP) Agreement Nos. BP 13-020, BP 13-021, and BP 13-022 for the Electrical Transmission and Distribution Equipment and Servicing Inventory Greenhouse Gas (GHG) Reporting Program designated representative agreements.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of January 21, 2014, Resolution No. 014-129, authorizing the LADWP to enter into the following Electrical Transmission and Distribution Equipment and Servicing Inventory GHG Reporting Program Designated Representative Agreements:

- a. BP 13-020 with Southern California Edison
- b. BP 13-021 with the Arizona Public Service Company
- c. BP 13-022 with the Salt River Project Agricultural Improvement and Power District of the three LADWP co-owned electrical transmission and distribution facilities in Arizona.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed Agreements will have no impact on the City's General Fund. Additionally, approval of the proposed Agreements will have no impact on the Power Revenue Fund. The LADWP's adopted Financial Policies do not apply.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MARCH 10, 2014

(LAST DAY FOR COUNCIL ACTION - MARCH 7, 2014)

Summary:

On February 19, 2014, your Committee considered January 22, 2014 Board and November 1, 2013 CAO reports, and Resolution No. 014-129 relative to proposed LADWP Agreement Nos. BP 13-020, BP 13-021, and BP 13-022 for the Electrical Transmission and Distribution Equipment and Servicing Inventory Greenhouse Gas (GHG) Reporting Program designated representative agreements. According to the CAO, pursuant to Section 114 of the Clean Air Act, the United States Environmental Protection Agency (EPA) has mandated GHG reporting requirements for owners and operators of facilities that directly emit GHG. Consequently, these Agreements are federally mandated and the City Attorney opines that City Council approval of this request is required pursuant to Charter Section 373 without an expiration date. As the LADWP co-owns an electrical power system comprised of transmission and distribution equipment insulated with or containing sulfur hexafluoride (SF6) which is known to emit GHG where another company acts as the operating agent, the facilities are subject to the reporting requirements. The equipment containing the SF6 is used to conduct electricity through the plant more efficiently; however, the LADWP advises that there have been few incidents in the United States that leaks have occurred causing GHG emission control concerns. LADWP facilities have not had leakages but nevertheless, the EPA requires annual reporting of inventory and control as well as immediate leakage reports, if applicable. Each facility subject to the GHG

Reporting Requirements must have a single designated representative who binds the owner and operator of the facility in matters pertaining submitting GHG emissions reports and other necessary documentation.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the three Agreements as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

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

ARL

2/19/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-