

November 23, 2022

The Honorable City Council
Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Attention: Councilmember Mitch O'Farrell
Chairperson, Energy, Climate Change, Environmental Justice
and River Committee

Honorable Members:

Subject: Council File No. 20-0620 – Stationary Natural Gas- and Diesel-Fueled
Distributed Generation Resources / Number Installed and Limiting Additional Resources

In response to the motion referenced in the subject requesting, the Los Angeles Department of Water and Power (LADWP), with the assistance of the Chief Legislative Analyst, the City Administrative Officer and the City Attorney, is reporting back on the number of installed stationary natural gas- and diesel-fueled distributed generation resources in Los Angeles, and the feasibility of limiting the addition of such resources.

Customer-Owned Fossil-Based Resource Inventory

The following is a summary of the larger, customer-owned distributed generation resources located within the City of Los Angeles (City) interconnected into LADWP's electric grid. The current estimate for the total in-basin, non-renewable, customer-sited, distributed generation capacity (Customer Resources) is approximately 537 Megawatts (MW) of Alternating Current (AC) aggregated across 52 unique resources (e.g., fuel cells, micro turbines, generators, internal combustion engines). The attached map (Appendix A) includes the distribution of installed non-renewable generation capacity on a council district basis.

For smaller Customer Resources, the South Coast Air Quality Management District (SCAQMD) requires permits for engines greater than or equal to 50 horsepower, as well as registration of some fuel cells that utilize natural gas. LADWP has additionally tallied information on Customer Resources located within the City of Los Angeles that do not deliver electricity into LADWP's electric grid. The current estimate for these additional Customer Resources is 3,438 unique resources. Pursuant to Rule 219¹ of the SCAQMD

¹ Section 219 - Equipment Not Requiring A Written Permit Pursuant to Regulation II <<http://www.aqmd.gov/docs/default-source/rule-book/reg-ii/Rule-219.pdf?sfvrsn=15>>

Rulebook, there are several exemption categories for distributed generation resources that emit polluting air contaminants, making it extremely challenging to properly account for the total emissions impacts. The attached map (Appendix B) includes the distribution of emergency backup generators on a council district basis.

Policy Options

Other cities and utilities in California have elected to limit fossil-based customer generation to emergency backup purposes only. In those jurisdictions, only renewable resources are permitted to serve on-site load. Some advocates of fossil-based resources have challenged those enacted policies; however, they remain in effect today.

LADWP believes it is feasible for the City to adopt a policy that limits fossil-based Customer Resources to solely be used for emergency backup purposes and the local air quality benefits gained would outweigh concerns expressed by opponents of such a policy.

It would be prudent to seek guidance from SCAQMD and other related agencies governing environmental and emissions related matters. These entities could contribute in enacting policy actions that are developed objectively and with consideration of our customers and local communities. As the City of Los Angeles, specifically LADWP, transitions to a 100% carbon free electricity supply, it is paramount to align clean energy policies with all customers and residents in Los Angeles.

If you have any questions or if further information is required, please call me at (213) 367-1338, or have your staff contact Mr. Matthew A. Hale, Director, Legislative and Intergovernmental Affairs, at (213) 367-0751.

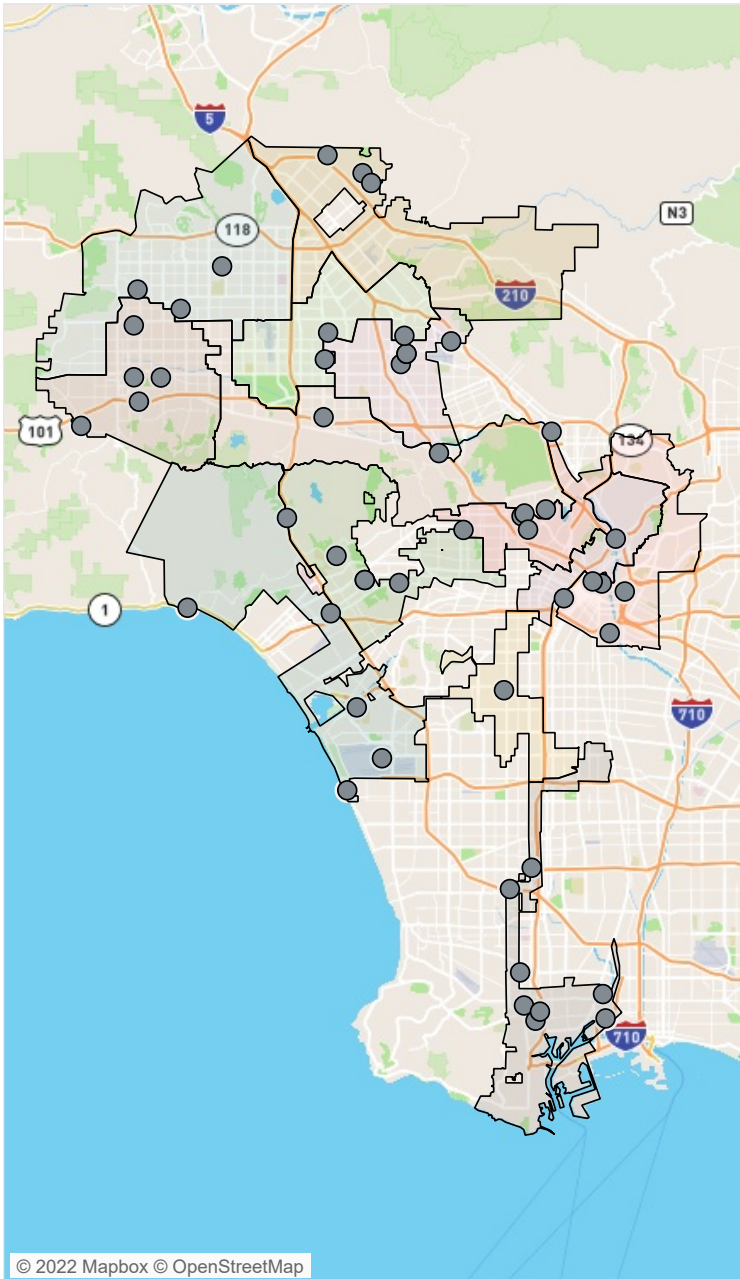
Sincerely,

Martin Adams
General Manager and Chief Engineer

c: Councilmember Paul Koretz, Vice-Chair Energy, Climate Change, Environmental Justice and River Committee
Councilmember Gil Cedillo, Member Energy, Climate Change, Environmental Justice and River Committee
Councilmember Kevin DeLeon, Member Energy, Climate Change, Environmental Justice and River Committee
Councilmember Paul Krekorian, Member Energy, Climate Change, Environmental Justice and River Committee
Matthew A. Hale

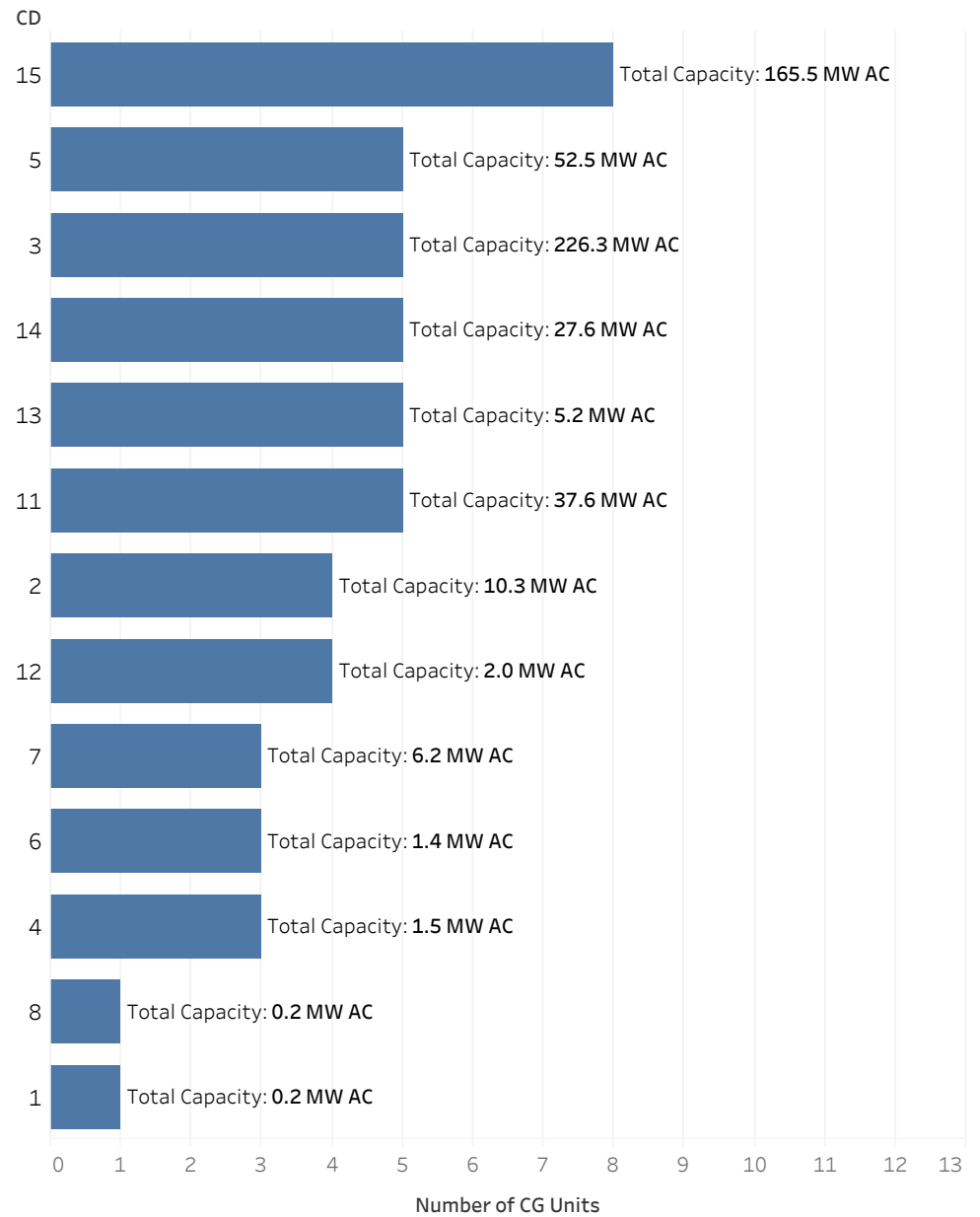
Appendix A

Normally Operating CG Map (by Council District)



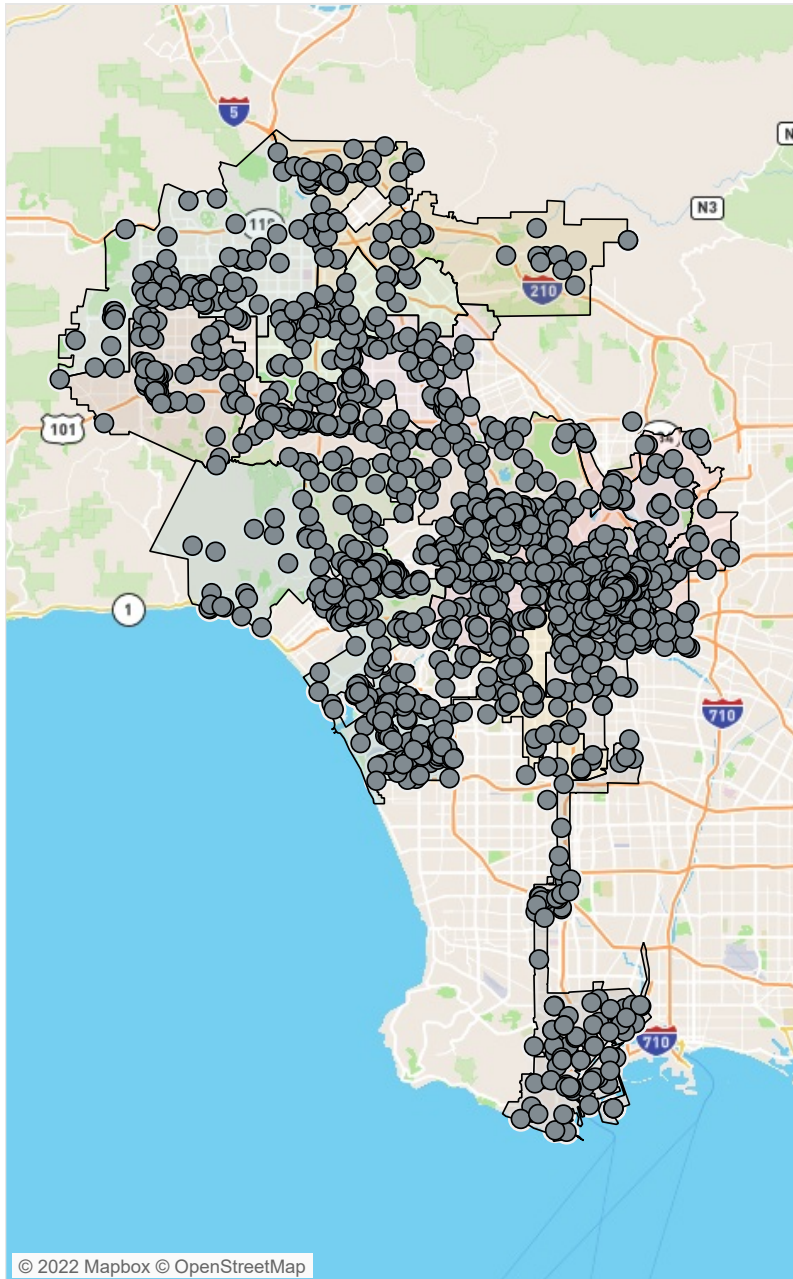
Summary

*Note - There are no CG units in CD 9 or CD 10



Appendix B

Emergency Backup Generators (by Council District)



Emergency Gen Summary

*Note - KW AC Capacities of Emergency Generators are unknown

