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L.A. officials launch campaign to roll back state environmental rule

A bill in the Legislature would delay new regulations that require the DWP to overhaul three coastal power plants to reduce the amount of seawater used for cooling.

By Patrick McGreevy and David Zahniser, Los Angeles Times

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The city of Los Angeles has launched an aggressive lobbying campaign to roll back tough new state regulations meant to limit the environmental damage that power plants inflict on the oceans. advertisement

Officials are pushing a last-minute bill in the Legislature that would delay by up to 11 years a new state mandate requiring that the city's municipal utility overhaul three coastal power plants to reduce their use of seawater for cooling.

The current deadlines for meeting the seawater restrictions would cost \$2.3 billion more than city officials planned because it would force them to modernize power plants ahead of schedule. Such an expense would result in a 6% rate hike for electricity customers for at least eight years, officials said.

"That's money that will cause jobs to be lost in our economy and money that we can't use to invest in other renewable energy initiatives that we have," said Austin Beutner, Los Angeles Mayor Antonio Villaraigosa's jobs czar and temporary top executive at the Department of Water and Power, the nation's largest city-owned utility.

With just a week left in the legislative session, the DWP bypassed the normal bill-approval process, which typically involves multiple public hearings. To get around rules that prohibit new bills from being introduced this late, utility executives persuaded a committee chaired by Assemblyman Steve Bradford (D-Gardena) to remove language from an existing bill on renewable energy and insert the exemption for the DWP on Friday.

Environmental groups are scurrying to block the proposal. The regulations, they say, have already been vetted through a five-year public approval process.

"Now here is the L.A. DWP coming in at the last second with a special-interest exemption for them," said Sierra Club California lobbyist Jim Metropulos.

The governor would sign the bill if it reaches his desk but hopes a compromise can be achieved between the state board and city utility, according to spokeswoman Rachel Arrezola.

The revised bill targets regulations adopted in May by the State Water Quality Control Board that mandate that power plants that use seawater for cooling switch to systems that recycle the same water over and over or use air for cooling. The switchover must be achieved by 2015 for the DWP's Harbor power plant in Wilmington, by 2019 at its Haynes plant in Long Beach and by 2020 at its Scattergood generating station in Playa del Rey.

The bill would extend the deadline for some DWP operations to as late as 2031. The state rules also affect 16 other power plants, but the bill would apply only to the DWP.

Utility executives contend that they are already on track to spend hundreds of millions of dollars on new technology to make the power plants more environmentally friendly. Without a more flexible set of deadlines, the costly efforts to reduce dependence on coal-fired power plants and use more renewable energy could be hindered, according to an e-mail sent to environmentalists by Lorraine Paskett, a senior assistant general manager with the DWP.

The city's three coastal power plants use a combined 1.4 billion gallons of seawater a day when operating at full capacity — although they hardly ever run at that level — and provide 40% of the utility's energy.

Nevertheless, the bill has drawn fire from H. David Nahai, the former DWP general manager who resigned in October. Nahai argued that the DWP made a tactical mistake by taking a hard-line stance shortly before the regulations were issued.

"It makes the department appear cynical and manipulative," Nahai said. "I believe it was unnecessary, because the state board has shown a willingness to try, even now, to deal with the department's concerns."

Environmental groups say city officials are underplaying the effect of the bill.

"It completely ignores five years of process and guts the entire policy," said Mark Gold, president of Heal the Bay.

The DWP's lobbying effort has drawn positive reviews from business leaders, including the downtown-based Central City Assn. "This is one of those environmental regulations that we think is overkill," said Carol Schatz, the group's executive director.

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