



RESOLUTION NO. _____

BOARD LETTER APPROVAL

JOHN A. SMITH Jr.

JOHN A. SMITH Jr. (Jan 3, 2025 14:33 PST)

JOHN A. SMITH, JR.
Chief Administrative Officer

David Hanson

David Hanson (Jan 6, 2025 11:53 PST)

DAVID W. HANSON
Senior Assistant General Manager
Power System

Janisse Quinones

JANISSE QUINONES
Chief Executive Officer and Chief Engineer

DATE: December 16, 2024

SUBJECT: 2024 Grid Reliability Study Required by the Statewide
Once-Through-Cooling Policy

SUMMARY

Transmitted for approval is a Resolution, approved as to form and legality by the City Attorney, recommending approval of the Grid Reliability Study (Annual Report) dated January 14, 2025, that is required per Section 3.B(3) of the State Water Resources Control Board's (SWRCB) Once-Through-Cooling (OTC) Policy, as amended on August 15, 2023.

As discussed in the Report, all generating units within the Los Angeles Basin, including the OTC units, continue to be needed for grid reliability.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing approval of the Report.

ALTERNATIVES CONSIDERED

Not applicable.

FINANCIAL INFORMATION

Not applicable.

BACKGROUND

To fulfill its mandate to provide power to the City of Los Angeles, LADWP operates three coastal generating stations (Harbor, Haynes, and Scattergood) that utilize seawater to cool equipment via the OTC process. To reduce marine life impacts associated with OTC, the SWRCB adopted a Statewide OTC Policy. To comply with the OTC Policy, LADWP elected in 2011 to completely eliminate the use of seawater for cooling by converting all generating units at its coastal stations to closed-cycle cooling systems. On August 15, 2023, the SWRCB granted LADWP an extension to December 31, 2029, for its Scattergood Generating Station OTC compliance date to maintain grid reliability, as LADWP transitions to a clean energy future. The updated OTC Policy compliance dates for LADWP's OTC units are shown in the following chart:

Station	Unit/s	Compliance Date
Haynes	5 & 6	2013
Scattergood	3	2015
Scattergood	1 & 2	2029
Haynes	1 & 2	2029
Harbor	5	2029
Haynes	8	2029

The conversion to closed-cycle cooling commenced in April 2011 at the Haynes Generating Station, with the repowering of Haynes Units 5 and 6 completed in the summer of 2013. Scattergood Unit 3 was completed by December 31, 2015. Remaining are the replacement units at Harbor, Haynes, and Scattergood. To eliminate OTC at each of these units, LADWP intends to replace the ocean water with recycled water to support wet closed cycle cooling at the Haynes Generating Station. Construction of the Haynes project is nearly complete with the recycled lines to and from the facility. LADWP has initiated the environmental review process for the proposed Scattergood project for hydrogen ready units, which would use an air-cooled condenser and a wet surface air cooler. Finally, the Harbor facility is in its infancy stages of planning but is on schedule to eliminate the use of OTC by December 31, 2029.

Pursuant to the OTC Policy, LADWP is required to submit the Annual Report approved by the Board to the Statewide Advisory Committee for Cooling Water Intake Structures, by January 31 of each year. The Annual Report must identify potential impacts, if any, to the reliability of LADWP's electrical grid and its associated OTC units with respect to policy compliance. LADWP defines power (or grid) system reliability as "the ability to satisfy the present and future electricity demand of its electric utility customers on a continuous basis."

The Annual Report discusses all elements and issues associated with reliability. These include the maximum power demand forecast and required power reserves; the adequacy of power sources or “resources;” the role of each generating unit and station in keeping its system “intact,” even in the event of disruptions and power outages; transmission system capacity; and “quick-start” baseline power sources that can compensate for variable (intermittent) renewable power.

Specific topics included in the Annual Report are:

- 2023 Long-Term Transmission Assessments
- Transmission Reliability Assessments for Summers 2013-2024
- Resource Adequacy Projection

The key conclusion and important finding of this Annual Report, as summarized in the Executive Summary, is as follows:

The 2024 Report, which addresses reliability on an annual basis and is reevaluated each year, suggests that every basin plant is needed to ensure a reliable LADWP electric grid. The Los Angeles Basin generation will serve roughly half of each summer’s demand. In addition, these critical basin units compensate for the variability of renewable energy imports and ensures that the load will not be interrupted and continually served.

The Board’s consideration and approval of the Annual Report constitutes the approval of the governing body that is required by the OTC Policy.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(1). In accordance with this section, an activity is not subject to CEQA if it does not involve the exercise of discretionary powers by a public agency. The preparation of a required annual report to another agency is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney has reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- Annual Report