



ANTONIO R. VILLARAIGOSA
Mayor

Commission
LEE KANON ALPERT, *President*
FORESCEE HOGAN-ROWLES
JONATHAN PARFREY
THOMAS S. SAYLES
BARBARA E. MOSCHOS, *Secretary*

AUSTIN BEUTNER
General Manager

RAMAN RAJ
Chief Operating Officer

June 24, 2010

Clerk of the Board
California Air Resources Board
State of California
1001 I Street
Sacramento, CA 95814

Subject: Los Angeles Department of Water and Power Comments on Proposed Regulation for Energy Efficiency and Co-Benefits Assessment of Large Industrial Facilities

The Los Angeles Department of Water and Power (LADWP) participated in the April 19, 2010, public workshop on the proposed regulation for energy efficiency and co-benefits assessment for large industrial facilities and appreciates the opportunity to provide comments for your consideration. As discussed during the April 19 workshop and stated in the June 2010 Staff Report: Initial Statement of Reasons for Proposed Rulemaking, the objectives of the regulation are to identify a wide range of energy efficiency improvement projects and greenhouse gas (GHG) emission reduction opportunities at California's largest industrial facilities.

Definition of Combined Cycle Electricity Generation Facility

The California Air Resources Board (ARB) has estimated that 34 electricity generating facilities meet the 0.5 million metric tons of carbon dioxide equivalent applicability threshold defined in the proposed regulation. Sixteen of the facilities would not be subject to the requirements since these facilities consist of only combined cycle power plants built after 1995. ARB staff has determined that since these power plants are the most energy efficient facilities within this sector, no additional energy efficient assessments are necessary. As a result, the proposed regulation includes an exemption in Section 95152(a) for "Combined cycle electricity generating facilities built after 1995". However, based on the current definition in Section 95153(a)(12), a combined cycle electricity generating facility may be considered to be facilities that contain *only* combined cycle units. Electricity generation facilities may include both combined and simple cycle and steam boiler units. For example:

- LADWP's Valley Generating Station (VGS) has a state-of-the-art combined cycle plant that went into commercial operation in 2003. In addition, VGS has one simple cycle gas turbine electrical generating unit.

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA



- LADWP's Haynes Generating Station (HnGS) has a state-of-the-art combined cycle plant that went into commercial operation in 2004. In addition, HnGS has four steam boiler electrical generating units.

LADWP supports ARB staff's determination that additional energy efficiency assessments are not needed for combined cycle generating facilities built after 1995. In order to clarify that this item would apply to individual combined cycle units, LADWP requests that Subsections 95152(a) and 95153(a)(12) be re-worded as follows:

Section 95152(a)

"combined cycle electricity generating units facilities built after 1995."

Section 95153(a)(12)

"Combined cycle electricity generating units facility" means an electricity generating units facility consisting of one or more gas turbines, one or more heat recovery boilers, and steam turbine that uses the waste heat from a the gas turbine(s) to provide heat energy for a steam turbine."

In addition, we request that Section 95153 include the following definition:

"Electricity generating unit" means any combination of physically connected generator(s), reactor(s), boiler(s), gas turbine(s), or other electric generator(s) operated together to produce electric power."

Time Frame for Selection of Third Party Assessor

Under Section 95159(a)(1) of the proposed regulation, a facility operator needs to select a third party assessor within 60 days if ARB has determined that the energy efficiency assessment report prepared by the facility is incomplete. As a public agency, LADWP is required to select contractors through a competitive procurement process that typically requires at least six months to select a contractor and an additional three months to award the contract. In order to provide sufficient time to select a third party assessor and complete the report, we request the following changes:

Section 95159(a)(1)

"Within ~~60~~ 180 days of receiving notification from ARB of its determination of an incomplete Assessment Report, the operator must submit a written application to the Executive Officer for approval of the operator's chosen third party assessor."

Section 95159(a)(3)

"The operator must submit the completed third party Assessment Report within 90 180 days of receiving Executive Officer approval of the third party assessor."

Clerk of the Board
Page 3
June 24, 2010

LADWP appreciates the opportunity to submit these comments and looks forward to working with your agency in implementing these regulations. If you have any questions or would like additional information, please contact Mr. Bruce Moore at (213) 367-3772.

Sincerely,



Lorraine A. Paskett
Senior Assistant General Manager
Sustainability Programs and External Affairs

DP:rp

c: Mr. Dan Donohoue, ARB
Ms. Peggy Taricco, ARB
Ms. Cherie Rainforth, ARB
Ms. Lisa Williams, ARB
Ms. Zhenlei Wang, ARB
Mr. Bruce M. Moore

