

IV. Environmental Impact Analysis

I.2 Utilities and Service Systems—Energy Infrastructure

1. Introduction

This section of the Draft EIR analyzes the Project’s potential impacts on electricity and natural gas infrastructure. The information presented herein is based, in part, on the *Energy Calculations for the 8th, Grand and Hope Project* prepared by Eyestone Environmental (Appendix C of this Draft EIR) and the *Utility Infrastructure—Technical Memo* prepared by KPFF and included in the Initial Study for the Project (Appendix A of this Draft EIR).

2. Environmental Setting

a. Regulatory Framework

(1) Federal

The United States Department of Energy (DOE) is the federal agency responsible for establishing policies regarding energy conservation, domestic energy production and infrastructure. The Federal Energy Regulatory Commission (FERC) is an independent federal agency, officially organized as part of the DOE which is responsible for regulating interstate transmission of natural gas, oil and electricity, reliability of the electric grid and approving of construction of interstate natural gas pipelines and storage facilities. The Energy Policy Act of 2005 has also granted FERC with additional responsibilities of overseeing the reliability of the nation’s electricity transmission grid and supplementing state transmission siting efforts in national interest electric transmission corridors.

FERC has authority to oversee mandatory reliability standards governing the nation’s electricity grid. FERC has established rules on certification of an Electric Reliability Organization (ERO) which establishes, approves and enforces mandatory electricity reliability standards. The North American Electric Reliability Corporation (NERC) has been certified as the nation’s ERO by FERC to enforce reliability standards in all interconnected jurisdictions in North America.

Although FERC regulates the bulk energy transmission and reliability throughout the United States, the areas outside of FERC's jurisdictional responsibility include state level regulations and retail electricity and natural gas sales to consumers which falls under the jurisdiction of state regulatory agencies.

(2) State

California energy infrastructure policy is governed by three institutions: the California Independent System Operator (California ISO), the California Public Utilities Commission (CPUC), and the California Energy Commission (CEC). These three agencies share similar goals, but have different roles and responsibilities in managing the State's energy needs.

The majority of state regulations with respect to electricity and natural gas pertain to energy conservation. For a discussion of these regulations, refer to Section IV.B, Energy, of this Draft EIR. There are, however, regulations pertaining to infrastructure. These are discussed further below.

(a) California Independent System Operator

The California ISO is an independent public benefit corporation responsible for operating California's long-distance electric transmission lines. The California ISO is led by a five-member board appointment by the Governor and is also regulated by FERC. While transmission owners and private electric utilities own their lines, the California ISO operates the transmission system independently to ensure that electricity flows comply with federal operational standards. The California ISO analyzes current and future electrical demand and plans for any needed expansion or upgrade of the electric transmission system.

(b) California Public Utilities Commission

The CPUC establishes policies and rules for electricity and natural gas rates provided by private utilities in California such as Southern California Edison (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas and Electric (SDG&E). Public owned utilities such as the Los Angeles Department of Water and Power (LADWP) do not fall under the CPUC's jurisdiction.

The CPUC is overseen by five commissioners appointed by the Governor and confirmed by the state Senate. The CPUC's responsibilities include regulating electric power procurement and generation, infrastructure oversight for electric transmission lines and natural gas pipelines and permitting of electrical transmission and substation facilities.

(c) California Energy Commission

The CEC is a planning agency which provides guidance on setting the state's energy policy. Responsibilities include forecasting electricity and natural gas demand, promoting and setting energy efficiency standards throughout the State, developing renewable energy resources and permitting thermal power plants 50 megawatts and larger. The CEC also has regulatory specific regulatory authority over publicly owned utilities to certify, monitor and verify eligible renewable energy resources procured.

(d) Senate Bill 1389

Senate Bill (SB) 1389 (Public Resources Code Sections 25300–25323), adopted in 2002, requires the development of an integrated plan for electricity, natural gas, and transportation fuels. Under the bill, the CEC must adopt and transmit to the Governor and Legislature an Integrated Energy Policy Report every two years. In 2018, the CEC decided to write the Integrated Energy Policy Report in two volumes. The Volume I, which was published on August 1, 2018, highlights the implementation of California's innovative policies and the role they have played in moving toward a clean energy economy. Volume II, which was adopted in February 2019, identifies several key energy issues and actions to address these issues and ensure the reliability of energy resources.¹

(3) Regional

There are no regional regulations with respect to electricity and natural gas infrastructure. For a discussion of regional regulations pertaining to energy conservation, refer to Section IV.B, Energy, of this Draft EIR.

(4) Local

There are no local regulations with respect to electricity and natural gas infrastructure. For a discussion of local regulations pertaining to energy conservation, refer to Section IV.B, Energy, of this Draft EIR.

b. Existing Conditions

(1) Electricity

The Los Angeles Department of Water and Power (LADWP) provides electrical service throughout the City and many areas of the Owens Valley, serving approximately

¹ *California Energy Commission, 2018 Integrated Energy Policy Report Update, Volume II, February 2019.*

4 million people within a service area of approximately 465 square miles, excluding the Owens Valley. Electrical service provided by the LADWP is divided into two planning districts: Valley and Metropolitan. The Valley Planning District includes the LADWP service area north of Mulholland Drive, and the Metropolitan Planning District includes the LADWP service area south of Mulholland Drive. The Project Site is located within LADWP's Metropolitan Planning District.

LADWP generates power from a variety of energy sources, including hydropower, coal, gas, nuclear sources, and renewable resources, such as wind, solar, and geothermal sources. According to LADWP's 2017 Power Strategic Long-Term Resources Plan, the LADWP has a net dependable generation capacity greater than 7,531 MW.² In 2017, the LADWP power system experienced an instantaneous peak demand of 6,432 MW.³ Approximately 32 percent of LADWP's 2018 electricity purchases were from renewable sources, which is similar to the 25 percent statewide percentage of electricity purchases from renewable sources.⁴

LADWP supplies electrical power to the Project Site from electrical service lines located in the Project vicinity. According to the Utility Memo, the Project Site receives electric power service from LADWP via existing underground conduits running along Hope Street, 8th Street, and Grand Avenue right-of-ways. Existing electricity usage was estimated based on the same methodology contained in the greenhouse gas (GHG) analysis included in Section IV.C, Greenhouse Gas Emissions, of this Draft EIR (California Emissions Estimator Model [CalEEMod] Version 2016.3.2). As the existing site is used for parking purposes, energy usage would be minimal. It is estimated that existing uses on the Project Site currently consume approximately 251,424 kWh of electricity per year.⁵ However, to provide a conservative analysis of the Project, existing energy usage is considered to be *de minimis*.

(2) Natural Gas

Natural gas is provided to the Project Site by the Southern California Gas Company (SoCalGas). SoCalGas is the principal distributor of natural gas in Southern California, serving residential, commercial, and industrial markets. SoCalGas serves approximately 21.8 million customers in more than 500 communities encompassing approximately

² LADWP, 2017 Power Strategic Long-Term Resources Plan.

³ LADWP, 2017 Retail Electric Sales and Demand Forecast, p. 6.

⁴ California Energy Commission, Utility Annual Power Content Labels for 2018.

⁵ Eyestone Environmental, Energy Calculations for 8th, Grand and Hope Project. See Appendix C of this Draft EIR.

24,000 square miles throughout Central and Southern California, from the City of Visalia to the Mexican border.⁶

SoCalGas receives gas supplies from several sedimentary basins in the western United States and Canada, including supply basins located in New Mexico (San Juan Basin), West Texas (Permian Basin), the Rocky Mountains, and Western Canada, as well as local California supplies.⁷ The traditional, southwestern United States sources of natural gas will continue to supply most of SoCalGas' natural gas demand. The Rocky Mountain supply is available but is used as an alternative supplementary supply source, and the use of Canadian sources provide only a small share of SoCalGas supplies due to the high cost of transport.⁸ Gas supply available to SoCalGas from California sources averaged 323 million cf per day in 2017 (the most recent year for which data are available).⁹

SoCalGas supplies natural gas to the Project Site from natural gas service lines located in the Project vicinity. According to the Utility Infrastructure—Technical Memo, the gas mains are located in the Hope Street, 8th Street, and Grand Avenue right-of-ways.¹⁰ The existing parking uses on the Project Site do not consume natural gas.

3. Project Impacts

This analysis addresses the Project's potential impacts on electricity and natural gas infrastructure. The Project's estimated energy consumption was calculated using CalEEMod Version 2016.3.2.

a. Thresholds of Significance

In accordance with Appendix G of the State CEQA Guidelines, the Project would have a significant impact related to energy infrastructure if it would:

Threshold (a): Require or result in the relocation or construction of new or expanded water, wastewater treatment, or storm water drainage, electric power, natural gas, or telecommunications facilities, the

⁶ SoCalGas, *Company Profile*, www.socalgas.com/about-us/company-profile, accessed July 29, 2020.

⁷ California Gas and Electric Utilities, *2018 California Gas Report*, p. 80.

⁸ California Gas and Electric Utilities, *2018 California Gas Report*, p. 80.

⁹ California Gas and Electric Utilities, *2018 California Gas Report*, p. 80.

¹⁰ KPFF, *8th and Grand/Hope Utility Infrastructure—Technical Memo*. Refer to the Initial Study for the Project (Appendix A of this Draft EIR).

***construction or relocation of which could cause significant environmental effects.*¹¹**

In assessing impacts related to energy infrastructure in this section, the City uses Appendix G as the thresholds of significance. The factors and considerations identified below from the *L.A. CEQA Thresholds Guide* are used where applicable and relevant to assist in analyzing the Appendix G threshold questions.

The *L.A. CEQA Thresholds Guide* identifies the following criteria to evaluate impacts to energy infrastructure:

- Would the project result in the need for new (off-site) energy supply facilities, or major capacity enhancing alterations to existing facilities?

b. Methodology

This analysis evaluates the potential impacts of the Project on existing energy infrastructure by comparing the estimated Project energy demand with the available capacity. Will-serve letters from LADWP and SoCalGas included in Appendix A of this Draft EIR demonstrate the availability of sufficient energy resources to supply the Project's demand.

Project energy usage, including electricity and natural gas, was calculated using CalEEMod Version 2016.3.2. During Project construction, energy would be consumed in the form of electricity associated with the conveyance of water used for dust control (including supply and conveyance) and, on a limited basis, powering lights, electronic equipment, or other construction activities necessitating electrical power. Construction activities typically do not involve the consumption of natural gas. During Project operation, energy consumption would include electricity and natural gas from uses such as heating/ventilation/air conditioning (HVAC); water heating, cooking, lighting, and use of electronics/appliances. Additional details regarding Project energy usage are provided in Section IV.B, Energy, and Appendix C of this Draft EIR.

The Project's estimated energy demands were also analyzed relative to LADWP's and SoCalGas' existing and planned energy supplies in 2025 (i.e., the Project buildout year) to determine if these two energy utility companies would be able to meet the Project's energy demands. Finally, the capacity of local infrastructure to accommodate the Project's

¹¹ Refer to Section IV.1.1, *Utilities and Service Systems—Water Supply and Infrastructure*, of this Draft EIR for a discussion of water infrastructure; and the Project's Initial Study (Appendix A of this Draft EIR) for a discussion of wastewater, stormwater, and telecommunications facilities.

estimated electricity and natural gas demand was assessed based on the Utility Infrastructure—Technical Memo, included in Appendix A of this Draft EIR.

c. Project Design Features

No specific project design features are proposed with regard to energy infrastructure. However, the Project would include project design features designed to improve energy efficiency as set forth in Section IV.C, Greenhouse Gas Emissions, of this Draft EIR.

d. Analysis of Project Impacts

Threshold (a): Would the Project require or result in the relocation or construction of new or expanded water, wastewater treatment, or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?¹²

(1) Impact Analysis

(a) Construction

(i) Electricity

As discussed above, construction activities at the Project Site would require minor quantities of electricity for lighting, power tools and other support equipment. Heavy construction equipment would be powered with diesel fuel. As discussed in Section IV.B, Energy, during Project construction activities, electricity usage represents 1.1 percent of the estimated net annual Project operational demand, which as described below, LADWP's existing electrical infrastructure currently has enough capacity to provide service for construction activities. Existing power lines are located in the vicinity of the Project Site; however, existing power poles near the site may not be easily accessible for construction purposes. As such, temporary power poles may be installed on the Project Site to provide easier access to electricity during Project construction. Existing off-site infrastructure would not have to be expanded or newly developed to provide electrical service to the project during construction or demolition.

¹² Refer to Section IV.1.1, Utilities and Service Systems—Water Supply and Infrastructure, of this Draft EIR for a discussion of water infrastructure; and the Project's Initial Study (Appendix A of this Draft EIR) for a discussion of wastewater, stormwater, and telecommunications facilities.

With regard to existing electrical distribution lines, the Applicant would be required to coordinate electrical infrastructure removals or relocations with LADWP and comply with site-specific requirements set forth by LADWP, which would ensure that service disruptions and potential impacts associated with grading, construction, and development within LADWP easements are minimized. As such, construction of the Project is not anticipated to adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity.

Therefore, based on the above, construction of the Project would not result in an increase in demand for electricity that exceeds available supply or distribution infrastructure capabilities that could result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.

(ii) Natural Gas

Construction activities, including the construction of new buildings and facilities, typically do not involve the consumption of natural gas. Accordingly, natural gas would not be supplied to support Project construction activities; thus, there would be no demand generated by construction. However, the Project would involve installation of new natural gas connections to serve the Project Site. Since the Project Site is located in an area already served by existing natural gas infrastructure, it is anticipated that the Project would not require extensive off-site infrastructure improvements to serve the Project Site. Construction impacts associated with the installation of natural gas connections are expected to be confined to trenching in order to place the lines below surface. In addition, prior to ground disturbance, Project contractors would notify and coordinate with SoCalGas to identify the locations and depth of all existing gas lines and avoid disruption of gas service to other properties. **Therefore, construction of the Project would not result in an increase in demand for natural gas to affect available supply or distribution infrastructure capabilities and would not result in the relocation or construction of new or expanded natural gas facilities, the construction or relocation of which could cause significant environmental effects.**

(b) Operation

(i) Electricity

Based on LADWP's 2017 Power Strategic Long-Term Resources Plan, LADWP forecasts that its total energy sales in the 2025-2026 fiscal year (the Project's buildout year) will be 23,537 GWh of electricity.^{13,14} As shown in Table IV.B-2 in Section IV.B, Energy, of

¹³ LADWP defines its future electricity supplies in terms of sales that will be realized at the meter.

this Draft EIR, the Project's net operational electricity usage would be 3,527,684 kWh per year, which is less than 0.02 percent of LADWP's projected sales in 2025 (the Project's buildout year).¹⁵ As discussed in Section IV.B, Energy, under peak conditions, the Project would consume 684 kW during peak load conditions.¹⁶ In comparison to the LADWP power grid base peak load of 5,820 MW in 2018, the Project would represent approximately 0.01 percent of the LADWP base peak load conditions. LADWP has confirmed that the Project's electricity demand can be served by the facilities in the Project area.¹⁷ Furthermore, the Project would implement any necessary connections and upgrades required by LADWP to ensure that LADWP would be able to adequately serve the Project. As such, operation of the Project is not anticipated to adversely affect the electrical infrastructure serving the surrounding uses or utility system capacity and would not result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, during Project operations, it is anticipated that LADWP's existing and planned electricity capacity and electricity supplies would be sufficient to support the Project's electricity demand.**

(ii) *Natural Gas*

As shown in Table IV.B-2 in Section IV.B, Energy, of this Draft EIR, the Project would consume 4,859,882 cf per year, which represents approximately 0.0005 percent of the 2025 forecasted consumption in the SoCalGas planning area. SoCalGas has confirmed that the Project's natural gas demand can be served by the facilities in the Project area.¹⁸ Furthermore, the Project would implement any necessary connections and upgrades required by SoCalGas to ensure that SoCalGas would be able to adequately serve the Project. Thus, operation of the Project would not result in an increase in demand for natural gas to affect available supply or distribution infrastructure capabilities and would not result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, it is anticipated that SoCalGas' existing and planned natural gas supplies would be sufficient to support the Project's net increase in demand for natural gas.**

¹⁴ LADWP, 2017 Power Strategic Long-Term Resources Plan, Appendix A, Table A-1.

¹⁵ LADWP, 2017 Power Strategic Long-Term Resources Plan, December 2017, Appendix A, Table A-1.

¹⁶ Eyestone Environmental, Energy Calculations for 8th, Grand and Hope Project, See Appendix C of this Draft EIR.

¹⁷ KPFF, 8th and Grand/Hope Utility Infrastructure—Technical Memo. Refer to the Initial Study for the Project (Appendix A of this Draft EIR).

¹⁸ KPFF, 8th and Grand/Hope Utility Infrastructure—Technical Memo. Refer to the Initial Study for the Project (Appendix A of this Draft EIR).

(c) *Conclusion*

As demonstrated in the analysis above, construction and operation of the Project would not result in an increase in demand for electricity or natural gas that exceeds available supply or distribution infrastructure capabilities that could result in the construction of new energy facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. **Therefore, Project impacts related to energy infrastructure capacity would be less than significant during construction and operation.**

(2) Mitigation Measures

Project-level impacts with regard to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

(3) Level of Significance after Mitigation

Project-level impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures were required or included, and the impact level remains less than significant.

e. Cumulative Impacts

(1) Impact Analysis

(a) *Electricity*

Buildout of the Project, related projects, and additional forecasted growth in LADWP's service area would cumulatively increase the demand for electricity supplies and infrastructure capacity. LADWP forecasts that its total energy sales in the 2025–2026 fiscal year (the Project's buildout year) will be 23,537 GWh of electricity.^{19,20} In addition, LADWP has confirmed that the Project's electricity demand can be served by the facilities in the Project area.²¹ Data used to develop the LADWP demand forecasts take into account

¹⁹ LADWP defines its future electricity supplies in terms of sales that will be realized at the meter.

²⁰ LADWP, 2017 Power Strategic Long-Term Resources Plan, December 2017, Appendix A, Table A-1.

²¹ KPFF, 8th and Grand/Hope Utility Infrastructure—Technical Memo. Refer to the Initial Study for the Project (Appendix A of this Draft EIR).

population growth, energy efficiency improvements, and economic growth which includes construction projects.²²

Electricity infrastructure is typically expanded in response to increasing demand, and system expansion and improvements by LADWP are ongoing. LADWP would continue to expand delivery capacity as needed to meet demand increases within its service area at the lowest cost and risk, consistent with LADWP's environmental priorities and reliability standards. The 2017 Power Strategic Long-Term Resources Plan takes into account future energy demand, advances in renewable energy resources and technology, energy efficiency, conservation, and forecast changes in regulatory requirements. Development projects within the LADWP service area would also be anticipated to incorporate site-specific infrastructure improvements, as necessary. Although detailed information regarding electrical infrastructure for development projects in LADWP's service area is not known, it is expected that LADWP would provide for necessary improvements specific to each development project. Each of the development projects would be reviewed by LADWP to identify necessary power facilities and service connections to meet the needs of their respective projects. Project applicants would be required to provide for the needs of their individual projects, thereby contributing to the electrical infrastructure in the service area. As discussed above, will-serve letters are provided for individual projects in which LADWP determines whether sufficient infrastructure is in place to provide electricity to a proposed project. As part of the will-serve letter process, LADWP takes into account all uses (including future development projects) in the service area to ensure that sufficient local and regional infrastructure is adequate. As the will-serve letter for the Project identified adequate infrastructure, construction and operation of the Project would not adversely affect the LADWP electrical grid. **The Project's contribution to cumulative impacts with respect to electricity infrastructure would not be cumulatively considerable and, thus, would result in a less-than-significant cumulative impact.**

(b) Natural Gas

Buildout of the Project, related projects, and additional forecasted growth in SoCalGas' service area would cumulatively increase the demand for natural gas supplies and infrastructure capacity. As stated above, the Project's estimated net increase in demand for natural gas is 4,859,882 cf per year, which translates to approximately 13,315 cf per day. SoCalGas has confirmed that the Project's natural gas demand can be served by the facilities in the Project area, and in general, each development project would be expected to comprise a similarly limited percentage of overall natural gas

²² LADWP, 2017 Retail Electric Sales and Demand Forecast, p. 6.

consumption.²³ Moreover, SoCalGas' forecasts take into account projected population growth and development based on local and regional plans. Therefore, natural gas usage resulting from future operations at many of the development projects is likely accounted for in the SoCalGas projections.

Natural gas infrastructure is typically expanded in response to increasing demand and system expansion and improvements by SoCalGas occur as needed. It is expected that SoCalGas would continue to expand delivery capacity if necessary to meet demand increases within its service area. Although detailed information regarding natural gas infrastructure for each of the development projects is not known, it is expected that SoCalGas would provide for necessary improvements specific to each development project. Development projects within its service area would also be anticipated to incorporate site-specific infrastructure improvements, as appropriate. Project applicants would be required to provide for the needs of their individual projects, thereby contributing to the natural gas infrastructure in the service area.

As discussed above, will-serve letters are provided for individual projects, in which SoCalGas determines whether sufficient infrastructure is in place to provide natural gas service to a proposed project. As part of the will-serve letter process, SoCalGas takes into account all uses (including future development projects) in the service area to ensure that sufficient local and regional infrastructure is adequate. As the will-serve letter for the Project identified adequate infrastructure, construction and operation of the Project would not significantly affect the SoCalGas regional infrastructure. **The Project's contribution to cumulative impacts with respect to natural gas infrastructure would not be cumulatively considerable and, thus, would result in a less-than-significant cumulative impact.**

(c) Conclusion

Based on the analysis provided above, the Project's contribution to cumulative impacts related to energy consumption (i.e., electricity, natural gas, transportation-related energy) would not result in a cumulatively considerable effect related to distribution infrastructure capabilities that could result in the construction of new energy facilities or expansion of existing facilities. As such, the Project's impacts would not be cumulatively considerable; therefore, cumulative energy infrastructure impacts are concluded to be less than significant.

²³ *KPFF, 8th and Grand/Hope Utility Infrastructure—Technical Memo. Refer to the Initial Study for the Project (Appendix A of this Draft EIR).*

(2) Mitigation Measures

Project-level and cumulative impacts with regard to energy infrastructure would be less than significant. Therefore, no mitigation measures are required.

(3) Level of Significance after Mitigation

Project-level and cumulative impacts related to energy infrastructure were determined to be less than significant without mitigation. Therefore, no mitigation measures were required or included, and the impact levels remain less than significant.